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FINANCIAL TIMES

No. 27,183 Thursday January 6 1977 **12p

The Seal of Quality with MEEHANITE... Flake & Nodular Iron Castings

Sea... AF 10... various small text and graphics

NEWS SUMMARY

GENERAL BUSINESS China's New rise economy in gilts nit by quake as pound improves

China's economic expansion has been set back three years by last July's earthquake which has been reported to have killed more than 650,000 people in the industrial Tangshan area in northern China, and by recent political disruption.

IMM orders gas blast inquiry... three-man inquiry is to investigate the recent series of gas explosions, the Department of Energy announced.

JVF to renew bomb campaign... the Loyalist Volunteer Force yesterday called off its ear-old ceasefire and prepared to embark on a renewed bombing campaign.

French financial paper planned... Jean-Jacques Servan-Lorez, owner of the French news magazine L'Express, is negotiating with a number of possible partners with a view to creating a daily newspaper.

Richard moves on... Mr. Ivor Richard, chairman of the Rhodesia Conference, left Harare yesterday for Mozambique.

Chief price changes yesterday... Prices in pence unless otherwise indicated

Table with columns for various commodities and their price changes. Includes items like Johnson Matthey, Kodak, Lloyds Bank, etc.

Shell and Esso win right to sell North Sea oil

BY RAY DAFTER, ENERGY CORRESPONDENT

Shell and Esso won the right to refine and market all the oil they produce from their North Sea fields under a far-reaching State participation deal which was agreed in principle yesterday.

The two companies operate jointly in four of the fields so far declared commercial. They said yesterday the arrangements would protect an offshore investment which was likely to reach £500m. by 1980.

Jointly they are the biggest operators in the North Sea and market leaders in U.K. refined products. They fought long and often bitterly to retain control of all their offshore oil.

British National Oil Corporation will have the right to buy up to 51 per cent of Shell/Esso's crude but the companies have secured the provision that they will be able to buy back the oil for use in their refineries.

They have retained control of oil which might be exchanged for the heavier foreign crudes needed to maintain the U.K. refinery balance.

Principles signed yesterday show BIOC will be a joint licence holder with Shell and Esso in all present and future fields. It will have a veto, but not a vote, in the operating committees which decide field developments.

BIOC will turn to Shell and Esso for tuition in crude oil supply, transportation and refinery operations.

Iranians threaten oil sales blacklist

BY ROBERT GRAHAM

THE NATIONAL Iranian Oil Company today warned oil companies that they would be blacklisted if they failed to honour their crude purchase obligations.

The warning came in a statement which disclosed that in the first week since the new OPEC prices came into force NIOC direct sales had slumped by almost 50 per cent.

This is the hard evidence that one of the majority of members holding out for a 10 per cent increase has been adversely affected by the determination of Saudi Arabia and the United Arab Emirates to hold the price increase to 5 per cent.

Shell and Esso are operators for the Brent Field—the biggest in the North Sea with 2bn. barrels of recoverable oil reserves—as well as the Auk, Cormorant and Dunlin fields.

By 1982 they should be producing 30m. tons of oil a year. This would be nearly a third of national consumption. But even that would be insufficient to meet all their U.K. refinery needs.

This is why the participation terms are more lenient than those involving companies not so dependent on the North Sea for downstream operations.

The Government's new concept and an assurance that companies would be no financially worse off as a result of participation meant the interests of Shell's staff and shareholders had been fully protected.

Mr. Peter Bovenell, chairman of Shell U.K. and a managing director of the parent Royal Dutch/Shell Group, said the company recognised the need for more information to be exchanged between oil companies and governments.

State airline cuts £30 off holidays

BY ARTHUR SANDLES

BRITISH AIRWAYS is cutting up to £30 off the price of thousands of spring and early summer holidays in an effort to revive the floundering holiday market.

In addition to lower prices, the airline, which markets its tours under the Sovereign, Enterprise, and Cambrlan labels, is curtailing its brochure tariffs for European and North African holidays for the whole of the summer season.

The move comes only 24 hours after British's second largest airline, British Caledonian, said it too was guaranteeing prices and that there would be no surcharges for the summer of 1977.

Mr. Gerry Draper, British Airways' marketing director, said the airline had planned to introduce the price reductions at the end of this month but had brought it forward.

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AIR FRANCE... The Seal of Quality with MEEHANITE

Miners and Coal Board near retirement deal

BY ROY ROGERS, LABOUR CORRESPONDENT

MINERS LEADER and the National Coal Board look set to reach an agreement on early retirement for Britain's 240,000 miners.

He was optimistic about today's talks, and said he hoped that the union's executive would be in a position to recommend acceptance of revised proposals.

Mr. Joe Gormley, president of the National Union of Mine Workers, made it clear when he adjourned last night that he expected the Government to finance any structural deal.

Mr. Gormley's talks opened with Sir Derek Ezra, the NCB chairman, warning that Mr. Anthony Wedgwood Benn, the Energy Secretary, had told him that no Government finance would be available.

When talks adjourned four hours later, Mr. Gormley commented: "We don't take that as the Government's last word," and intimated that there would be a joint approach to Government.

Days of festivities in South America

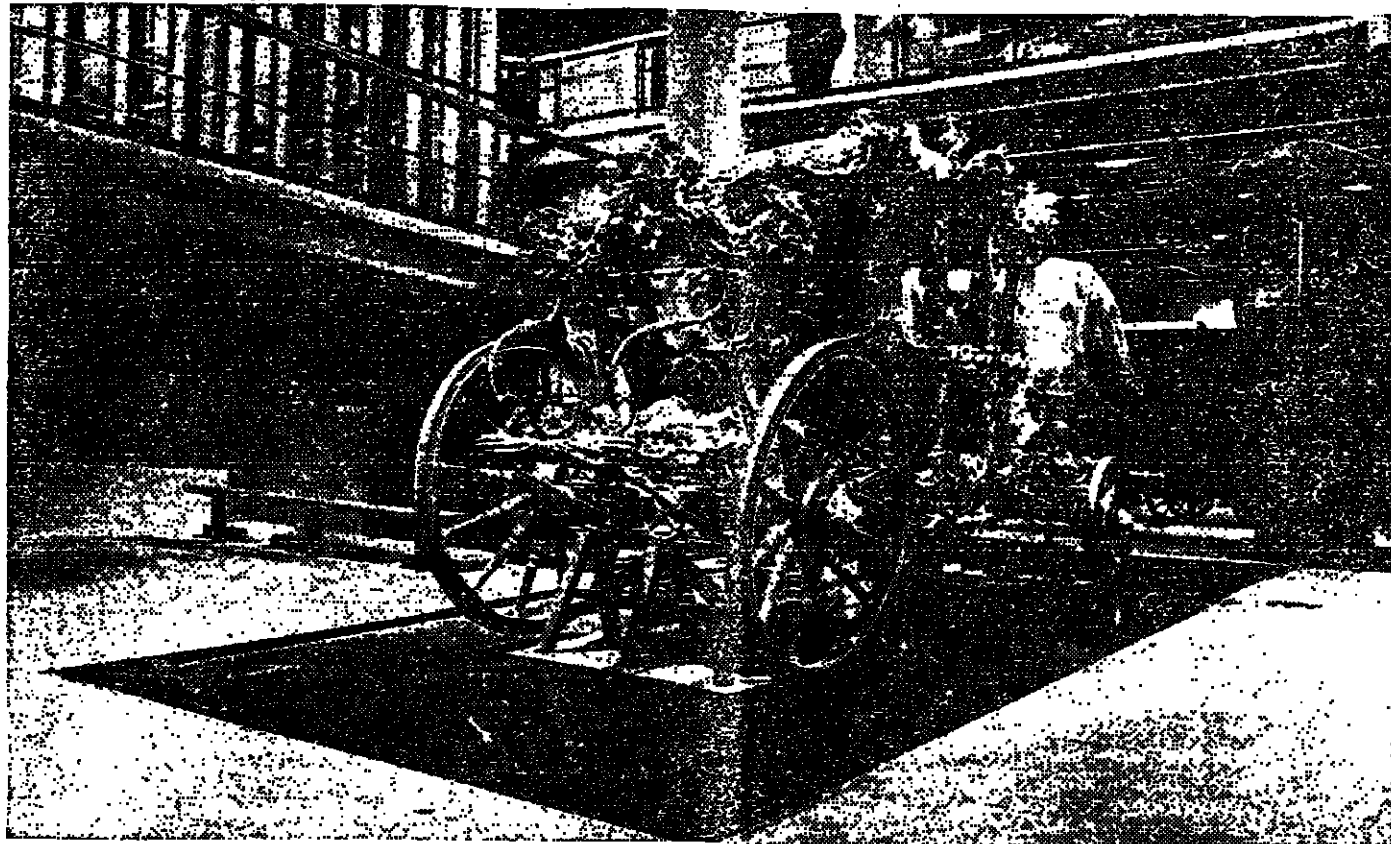
South America. Where festivals and carnivals are part of the way of life. Where the ancient Inca cities like Machu Picchu contrast vividly with modern cities like Rio de Janeiro.



For more information... AIR FRANCE... The Seal of Quality with MEEHANITE

New Museum of London

by H. A. N. BROCKMAN



The Lord Mayor's coach, on view at the Museum of London, London Wall

The new Museum of London is a remarkable achievement both as a building and as an historical exhibition.

It was designed by the architects Powell and Moya and built by G. E. Wallis and Sons on one of the most awkward sites that could have been imagined. It includes a traffic roundabout at the western end of London Wall, the circular form having been elevated to the City's footbridge level as a sort of Roman bastion. The footbridge leads on to a gallery which skirts round the inside of the perimeter, overlooking the grass and planting, creating an enclosed foreground in the centre of the roundabout.

The gallery leads on the brick paved roof area and entry to the museum buildings which span the roundabout roadway at footbridge level and wrap them-

selves around the livery hall of the Ironmonger's Company; one of the few buildings in this area to have survived the blitz. Above the main exhibition area is an office tower of, for this part of the City, a modest 14 storeys.

From the exterior, the whole group presents interesting and irregular massing with fine bold lettering announcing its purpose. But it is the ingenuity and orderliness of the complicated interior planning which the visitor will most appreciate. The exhibits are on two floors with the entry at the upper level. Everywhere low key lighting, fine wall and floor finishes, together with clever splitting up of floor spaces and alteration in levels, maintain the interest and contribute to enjoyment.

The exhibition was arranged by Higgins Ney and Partners

and is designed to show the development of London from prehistoric times to the present. This it brilliantly achieves helped by the splendid architectural setting. The prehistoric section leads on to Roman London, with its amazing relics everywhere. It stands in a pool of water which as well as keeping the delicate work from drying out, mirrors the underside and at the same time prevents people from touching it. As it is still used on static occasions, all work on its maintenance, including harness which is also exhibited, will be carried out in full view of the public. This particular setting and arrangement was designed by the architects of the building, Powell and Moya.

The new Museum of London is a great achievement in all its aspects.

day has as its main feature a brilliantly devised setting for the Lord Mayor's coach, distantly visible from a number of points on both floors, as an enticing finale. The lighting here is bright, bringing to life the gold enrichments of this magnificent vehicle. It stands in a pool of water which as well as keeping the delicate work from drying out, mirrors the underside and at the same time prevents people from touching it. As it is still used on static occasions, all work on its maintenance, including harness which is also exhibited, will be carried out in full view of the public. This particular setting and arrangement was designed by the architects of the building, Powell and Moya.

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Wigmore Hall

New London Consort

by NICHOLAS KENYON

The title of the New London Consort's collection of sacred and secular mediaeval music promised much: The Feast of Fools. The sacrilegious high-jinks associated with this pseudo-festival, which occupied the first few days of the mediaeval year, have become legend, and it's hard to disentangle fact from fancy. The celebrations were certainly not wholeheartedly approved by the clergy, who made vain attempts to curtail them ("not more than three buckets of water should be poured over the celebrant while he intones the Magnificat") but they did indicate a healthy interaction between the sacred and secular worlds. Disappointingly, it was this interaction, rather than any literal representation of the parodies involved, which provided the inspiration for the concert. In the programme, Madeleine Inglebeare reminded us of the importance of dance in the mediaeval church, and of the fact that the church was not only a holy place but also a village hall and theatre.

But this one general principle could not help to place all the concert's music in its context. For we were given a sophisticated and wide-ranging survey of the music spanning four centuries (1100-1500), with sacred and secular music, and a variety of instruments and styles, which caught illuminatingly juxtaposed. The

profane only reared its head in the opening group of settings of the *Carmine Burano*—in fact the concert's title concealed a perfectly ordinary collection of mediaeval music. However, it was for the most part very well performed, the challenge of providing a representative selection of difficult church music with only two singers and seven instrumentalists cannot be understated. Yet the one-to-part accounts of such motets as Philippe de Vitry's triple-texted "Alleluia Benedictus" by Margaret Phillipot, Paul Elliott, and a solo instrumentalist were concise and effective.

I was less happy about the inclusion of pieces whose texture demanded larger forces, such as *Dudley Rye*, and a than any literal representation of the parodies involved, which provided the inspiration for the concert. In the programme, Madeleine Inglebeare reminded us of the importance of dance in the mediaeval church, and of the fact that the church was not only a holy place but also a village hall and theatre.

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Estamples, rather than the skilful and noisy playing of the bagpipes and shawm by Philip Pickett. Except in the fiercely demanding *Hoquetus* of Machaut, which defeated them, the players showed a fine grasp of many different styles, and Philip Pickett directed throughout with restraint and precision.

The variety of music presented in the end rather trumps, as did the continuous formula of two pieces separated by a keyboard interlude, which persisted

throughout. It was certainly excessive to provide, after a second half of English music, three Spanish *Cançons* from the collection of Alfonso el Sabio. But these proved to be the evening's most original fare, with new arrangements by Peter Hannan and Andrew Watts which exploited both the improvisatory and the Arabic elements in these songs. These could well form the basis of a future, more concentrated and less glibly titled concert.

Interpretation has been magnificent, and her Odette/Odile was distinguished throughout by that authority which is the bloom on a true ballerina's performance. With Rudolf Nureyev as her Siegfried, partnering with the utmost generosity, the lakeside encounter had a fine ardour, phrased by Miss Seymour in long, elegant spans of movement. The lyric warmth of manner, the flawless musicality, were part of a portrayal in which we could never doubt for a moment either Odette's tragedy, or Miss Seymour's absolute control of the action.

Miss Seymour is, in any case, one of nature's Odettes, and she now seems to have come to terms with the protean terrors of

Moscow Theatre

Yury Trifonov

by ARIADNE NICOLAEFF

In Moscow theatres are packed; new Russian plays range from history to technology, from debate to the inner man. At the Taganka Theatre is *Exchange* by Yury Trifonov, who is a leading writer of the long short story, currently a very popular literary form in Russia.

The exchange in question is a large flat for two small ones. This is done by trading in the keys when one of the parents dies and the son or daughter, living apart, undertakes to house the surviving parent. But in *Exchange* the son's wife detests her mother-in-law. The widowed mother for her part, when she is obviously dying of cancer. It is then that she realises she is dying.

The play starts with Dmitriev's question—how could he do this? Who was to blame? The answer lies in his exploration of his past, present and future. And as he relives his life and tells it to the audience, he changes before their eyes.

Local criticism of this production by Yury Lyubimov, runs along the lines "completely un-theatrical," "concert-recital." The audience is deeply involved in this long short story which lasts two hours without a break. I gather there were no real changes in the script. So how is it staged?

Designed by D. Borovsky, the set starts in the stiffs. From there an enormous fire-tree (a child's brightly coloured ball is caught in its branches. The stage has a shallow apron. Running from left to right behind the apron there is a claustrophobic barricade of furniture, things piled on top of each other as in a warehouse. Wedged into the

barricade there are chairs for the cast. In the large empty space behind, a couple of baller dancers, or what can be seen of them, punctuate the action by dancing a pas-de-deux—initially, behind the apron, running from left to right there is a straight line of blue, red, orange and yellow. From time to time they flash to walling, thumping music and express panic. Parallel to this line of lights upstage, there is a laundry rope downstage of the barricade and cast, for pinning up photographs, letters, papers, etc.

Somehow the set is of a piece with the ungainly Dmitriev, played by A. Vitkin. He does not appear to act his torment; it appears to possess and change him. The actor has mechanism and all-embracing vitality. His seat is in the centre of the barricade; he is free to get up and pace up and down the apron stage. As he battles with his guilt, the cast respond to him as to a conductor; they join in, they argue and call out in anger or pain or hope; they sing and they live. Their acting is superb or long smoothness to the line, the songs sail alone, a fluent compilation of old Waltons newly employed. The early three Sitwell songs were likewise vigorously voiced; but the songs themselves better survive such treatment, and the accompaniment of Charles Spencer was now much more assertive.

The other half of the programme went to the instrumentalists. The Violin Sonata (1850), a lyrical, rambling, repetitive piece made more so by the fluid though always accomplished playing of Beverly Davison and the pianist, Kathryn Stott; and the A minor String

Quartet of 1947. The work promised the richest rewards of the chamber music mature music that, unlike most of Walton's rediscovered the mordant energy and passion of his youth. Perhaps because in the first movement the playing of the Coull Quartet was

rough and insecure, apt to threaten onward ensemble, the work at first failed to jumble memories of it. The players, having struck form in the scherzo, pleasure in the music returned.

MAX LOPPERT

Bishopsgate Hall

Terence Judd
by DOMINIC GILL

The first lunchtime recital of the City Music Society's New Year season at Bishopsgate Hall was given on Tuesday by the 22-year-old first prize winner of the 1976 British Luta Piano Competition, Terence Judd. The jury of that competition, in an exceptional tribute, declared Judd to be "probably the most technically brilliant and talented pianist to emerge for many years." I had not heard him before (though Ronald Crichton praised warmly on this page a concerto appearance he made with the National Youth Orchestra as long ago as 1969). In his programme of Chopin and Liszt, barely 45 minutes long, he generated more excitement than most pianists can hope to generate in an evening: an account of Chopin's E flat minor scherzo, hardly sensuous,

Record review

Voices

by RONALD CRICHTON

Gluck. Arias from *Armide*, *Iphigénie en Aulide*, *Iphigénie en Tauride*, *Aleste*, *La Rencontre imprévue*, *Paride et Elena*, *Orfeo ed Euridice*, *Baker*, E.C.O., Leppard, Philips 9500 023, £3.50.

Nellie Melba — The London Recordings, 1904-1926. Five records in box. The HMV Treasury (limited Edition) RLS 719, £9.95.

Janet Baker's collection of arias by Gluck with Leppard and the English Chamber Orchestra, is an event. The record contains eight excerpts, only a few of them well-known from the operas of an extraordinary genius. Gluck is popular for a very few things, mostly from *Orfeo*. He is loaded with tributes, much mulled over in books, but even in these days of widespread revival of his forgotten operas, largely neglected in the theatre. One reason is a shortage of the right kind of singer. Brilliance and agility are of little account with Gluck: he demands a grand combination of dramatic force, classical control and stamina—qualities almost as much moral as musical.

Dame Janet has not I think sung a major Gluck role in the opera house. She withdrew, to everyone's regret, from rehearsal of the *Scottish Opera* *Aleste* on the grounds that the theatre was too high for her—so the part with Gluck's soprano parts and with those written for castratos but now usually given to mezzo, lies not in extreme high notes, but in Gluck's persistent habit of placing the climax of a musical phrase at the top of the scale where one register passes (with luck) into another. Just where many sopranos have difficulty and long to get rid of, and some composer wanted a particularly expressive effect easier to obtain from singers than that now—and he wrote for opera houses more intimate than many where his works are performed to-day.

On this record neither the high B flats in "Divinités du Styx" from *Aleste*, nor cruel phrases like "mon âme cour le suit" in the final monologue from *Armide*, cause the singer more effort than the high dramatic tension calls for. Her tone is full vibrant with the passionate intensity she brings to comparable pages of Handel and Mozart. The effect would have been still nobler with more assured French declamation and a recording which didn't muffle both voice and orchestra. E.C.O. not always perfectly tidy feel on top of the listener—Gluck's orchestration is simple, but his invariably effective strokes of colour must be allowed to breathe.

The presentation is peculiar, with the *Armide* finale at the beginning, the two *Iphigénies* (*Aulide* and *Tauride*) jumbled. "Cue furb" from *Orfeo* as a safe, obvious ending. The *Orfeo* extracts are given in the Paris version but in Italian, with the "eu" in *Burydice* firmly pronounced "eu" as in German. Texts and translations are

provided, but the sleeve-note goes over the old Reform Opera ground yet again, without attempting to place the arias in their dramatic context—with such a singer to stoke the fires, Gluck as important as the theatre. Two excerpts more to remember how a even welcome, and not only as light relief. Best of all are three superb arias for Paris from *Paride et Elena*, an opera whose almost total neglect is excusable only because the leading roles are so demanding—dare one hope now for broadcasts or better still complete recordings of this and of the splendid *Armide*, with Dame Janet in the leading roles?

The "HMV Treasury" Melba album of five records (including a number of items previously unpublished, often imperfect, but of interest and value now) covers the diva's complete London recordings, made over a period of 22 years, and the solitary survivor of a Paris session in 1908; her remaining records were made in the U.S. Although Melba's name is still in the singer's of her country, household word, some readers may be a little hazy about Melba's high notes, softly but absolutely precisely attacked, and equally clearly released, recall Helen Porter Mitchell, daughter of a Scottish immigrant. Her and the instant killing by a first-rate show.

That is nothing like the whole of the experienced, Parisian, in the hands of Mathilde Marchesi. She became a prima donna Ambroise Thomas and in many *assolata*, the only one, perhaps, of genuine language presumably forgotten her because the French Britain remained her true home in these islands her true home was the Royal Opera House—

Melba was the Covent Garden star *par excellence*. Musicians admire Melba more for her technique and superb vocal equipment than for style or interpretation. Certainly one will return to this huge and fascinating store of recordings more to remember how a even aria, phrase, or even single note, can be vocalised, than for imaginative insight. One learns more about singing than about the music sung—one may even guess that Melba's strong appeal to Edwardian or Imperial audiences lay partly in the evidence of physical health and normality in her performances. Again and again, attempting to describe her singing, one leans towards metaphors of movement or sporting terms. The energy with which she sails through the florid pas-

ses is, say, Bishop's not despicable mini-Handelian ditties is one has occasionally heard it again in her performance. Again and again, attempting to describe her singing, one leans towards metaphors of movement or sporting terms. The energy with which she sails through the florid pas-

less spectacular than her high one, was extremely beautiful. With such a fund of natural vitality, her singing could never be described as sexless, but it was not "sexy," and although in some ballads there is a pleasing vein of robust vulgarity, she was never, on this capacious evidence, sentimental. To hear her sing the *Requiem* of the *Maria* (in which, over the years, she recorded three versions in London, two of them with Fuchsli senior for the rising obbligato) triumphantly surmounting the climactic phrase, is a kind of lesson in style, so far removed from the world of Bach's *Prélude* that only prize could take offence.

The booklet includes excellent notes and documentation by Michael Aspinall and Bryn Cramp. In the photographs, Melba generally contrives to look like Lady Bracknell, future, present or past, yet the records don't betray that she was as limited an actress as one might imagine. Her accent in the various languages involved was often ghostly but her words were usually clear, sometimes expressive. One can't expect much acting with the voice under the conditions in which early studio recordings were made. But the evidence of the live records of her Covent Garden Farewell (June 1926), an understandably fraught occasion when the voice was extremely hoarse in the *Orfeo* except (previously unpublished) and unreliable in the familiar *Robbie* scenes, shows another side. These HMV issues (the Paris and *Tauride* albums are earlier examples) are available for what they teach not only about the history of singing but about human personality.

Book Reviews will appear to-morrow

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EUROPEAN NEWS

Andreotti hopes to obtain new West German loan

BY DOMINICK J. COYLE

ROME, Jan. 5

AS CRUCIAL talks continued here tonight between the Government and senior trade union leaders in an effort to agree on a voluntary income policy, it became known through unofficial channels that Sig. Giulio Andreotti, the Prime Minister, is hoping to secure new and substantial loan support from West Germany...

however, wants to negotiate a new medium-term facility in order to bolster the reserves, in part as a defence against any further speculative pressure on the lira in the spring when, on the basis of present plans, the main artificial constraint on the foreign exchange market are ended. These include both the special surcharge on exchange payments and the import deposit scheme which is currently being phased out and should be abolished totally by the middle of April.

Belgian bank rate cut to aid economy

By David Buchan

BRUSSELS, Jan. 5

THE BELGIAN National Bank today slashed interest rates in an effort to improve the country's economic performance. The bank's rate on ordinary current account advances to banks from 10 to 8 per cent. The latter was as high as 12.5 per cent. only three months ago.

U.K. may seek more EEC summits

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, Jan. 5

THE BRITISH Government in its role as president of the EEC Council of Ministers, is considering proposing an increase of from three to four a year in the number of meetings of the European Council—the summit of the nine heads of government.

The aim of the plan, which has been drawn up inside the British Foreign Office but not yet broached formally to the other governments, is to try to restore a sense of purpose to these summit meetings, which have been increasingly criticised for arousing exaggerated expectations and producing few decisions of consequence.

In the Foreign Office view, the European Council could do a more useful job if its meetings were divided into two distinct categories: a forum for an informal exchange of views between heads of government on a wide range of issues, not necessarily related to the EEC, and the supreme institution for taking decisions on Community affairs.

of the member governments could organise one of each type during its six-month presidency. The Council of Ministers' presidency began officially at the start of this year and runs until June 30. The scheme is the 'first proposal for substantive reform in the EEC's institutions to be broached at the start of this year'.

The new EEC Commission, under the presidency of Mr. Roy Jenkins, is due to hold its first meeting in Brussels today. Its major task will be to agree on portfolio responsibilities, writes Guy de Jonquieres. Deft mediation by Mr. Jenkins will be required if the new Commission is not to start in an atmosphere of disappointment and difficult personal relations.

after last November's summit in The Hague that he intended to write to his European colleagues proposing a number of changes. Since then, however, nothing more has been heard on the question from the Elysee, and the tentative assumption in Brussels and several other EEC capitals is that the idea has been discarded.

The broad lines of Britain's approach to the EEC presidency are due to be spelt out next Wednesday by Mr. Anthony Crosland, the British Foreign Secretary, when he addresses the European Parliament in Luxembourg. But it is thought unlikely that he will say anything specific about proposals for reform of the European Council or, indeed, to go into detail about other issues facing the Community over the next six months.

Instead, Mr. Crosland is expected to adopt a somewhat philosophical tone, emphasising that at this point in the Community's development it is important to take a pragmatic attitude and not to set hard and fast deadlines for decisions either in the short-term or in the longer-run which may not be met.

He is expected to argue that it is unrealistic to look forward to any major moves towards political union within the foreseeable future, and that for the moment the Community should concentrate on making progress in areas of more practical concern, where the chances of reaching agreement appear more promising.

Russian dissident leader seized

BY DAVID SATTER

MOSCOW, Jan. 5

DR. YURI ORLOV, the leader of the Soviet dissident group set up to monitor Soviet observance of the Helsinki Accord, was arrested in the street today by five plain clothes men shortly before he was to tell a Press conference about police searches

yesterday of five Moscow flats including his own. The detention is somewhat ominous because it follows the charge by the official Soviet news agency, Tass, that Dr. Orlov and Helsinki group members Alexander Ginzburg and Lyudmila Alexeyeva are linked with the Paris-based, Russian emigre run People's Labour Alliance which Tass said is directed by Western intelligence agencies.

Soviet prices increased

BY OUR OWN CORRESPONDENT

MOSCOW, Jan. 5

THE SOVIET Union has announced that air fares, taxi fares, and fares for sea and river transport will be raised during 1977 as part of a set of the most significant Soviet price increases in many years.

past have always been stable. The reductions of between 5 and 25 per cent. for varieties of knitted wear, stockings, women's shoes, underwear, and domestic electrical appliances, which are not in great demand and are normally reduced in price to clear stocks, were announced by the Soviet news agency Tass yesterday. Increases were probably motivated by the rising costs of oil and indirectly by strain resulting from the Government's action last year in spending 196d. so far have not been further rubles to subsidise the sale of meat and milk products at stable retail prices.

Norway hits coal snag

By Fay Gjerde

OSLO, Jan. 5

AN AMBITIOUS Norwegian plan to re-open the long-abandoned Svea coal mine on the Arctic island of Spitzbergen, where Norway has sovereignty, has run into a serious snag. Coal in the mine has been found to contain too much phosphorus to permit its use by Norway's metallurgical industry, which had been earmarked as a major customer.

New pressure for Spain amnesty

BY ROGER MATTHEWS

MADRID, Jan. 5

HEAVY PRESSURE is again mounting on the Spanish Government to concede a full political amnesty for the estimated 170 prisoners still held. The country's main opposition parties decided last night that this would be one of their prime aims in the weeks ahead, as did virtually all the city councils in the northern Basque provinces who are to hold an unprecedented meeting to discuss the issue on January 16.

The Cabinet is understood to have prepared plans for an amnesty including the key question of electoral law. The Communist Party, represented at yesterday's meeting for the first time by its secretary-general, Sr. Santiago Carrillo, has not insisted that one of its members should take part in the talks with the Government.

The decision by the Basque city councils to hold a summit meeting represents an even more immediate challenge to the Government, coming so soon they require for full democratic elections. A four-man team has been named for the first part of the talks which they hope will deal with political amnesty and the legalisation of all parties.

Further teams will later be designated for negotiations on a number of specific issues including the key question of electoral law. The Communist Party, represented at yesterday's meeting for the first time by its secretary-general, Sr. Santiago Carrillo, has not insisted that one of its members should take part in the talks with the Government.

Irish wage agreement close

By Giles Merritt

DUBLIN, Jan. 5

IRISH EMPLOYERS and trade union leaders are reportedly close to clinching a 1977 national wage deal with an inbuilt pay pause of several months. Finalisation of the pay pact, which, like its "interim" 1976 predecessor, has been marked by profound disagreement between the two sides, had not been anticipated until after this year's budget, now expected in the first week of February.

The two main obstacles are the length of a voluntary pay pause, with the former insisting on six months until June, 1977, and the latter three months; while the extent of pay awards coming into effect thereafter is also the subject of tough negotiation.

German unemployment tops 1m.

BY ADRIAN DICKS

BONN, Jan. 5

UNEMPLOYMENT in West Germany once again rose above 1m. in December, mainly as a result of exceptionally hard winter weather, the Federal Labour Office reported today.

The number of jobless rose by 105,200 to a new level of 1,088,000 between November and December, bringing the unemployment rate up sharply from 4.3 per cent. to 4.8 per cent. Both the absolute number of unemployed and the percentage rate were above the average for 1976 as a whole.

There was also a 27 per cent. increase in registered short-time working in December to 213,800, though this was well above the average for the third quarter which, at 173,800, was considerably below the same figure a year earlier.

In addition to the 550m. package of income tax cuts—worth a likely 4 per cent. in increased take-home pay—which the Government has offered to include in the 1977 budget in return for wage restraint, the unions are believed to be holding out for rises that would average 9 per cent. The employers' current offer is understood to be 4 per cent.

The Hongkong and Shanghai Banking Corporation has opened a new branch in the Channel Islands



With Jersey growing more and more as an international financial centre, we have expanded our operations in the Channel Islands by opening another branch in St Helier. While accepting deposits and granting loans in both local and foreign currencies, it will serve as another direct link with over 400 offices of The Hongkong Bank Group throughout the world.

The Hongkong and Shanghai Banking Corporation (CI) Limited, located at the same address, continues to offer a full banking service. Audited accounts are available from Jersey upon request.

The Hongkong and Shanghai Bank Trustee (Jersey) Limited provides full company management and trustee services.

The Hongkong Bank Group includes The Hongkong and Shanghai Banking Corporation; Mercantile Bank Ltd; The British Bank of the Middle East; The Hongkong Bank of California; Hongkong Finance Ltd; Wayfoong Finance Ltd; Wardley Ltd; Wardley Canada Ltd; Wardley Middle East Ltd; Wardley Gibbs Ltd; Wardley Insurance Co Ltd; Wardley Investment Services Ltd; Hang Seng Bank Ltd.

THE HONGKONG BANK GROUP

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NOTICE OF CHANGE OF NAME

INDUSTRIAL MORTGAGE BANK OF FINLAND LTD. (SUOMEN TEOLLISUUS-HYPOTEKKIPANKKI OY) becomes INDUSTRIAL BANK OF FINLAND LTD (SUOMEN TEOLLISUUSPANKKI OY).

Shareholders of Industrial Mortgage Bank of Finland Ltd. at a special meeting have approved change in the bank's name to Industrial Bank of Finland Ltd. effective on November 25, 1976. Bonds already issued by the Bank will be listed on the Luxembourg Stock Exchange under the former name followed between brackets by the new name.

Industrial Bank of Finland Ltd. Fabianinkatu 8 00130 Helsinki, Finland

This announcement appears as a matter of record only.



POGO

(Pennzoil Offshore Gas Operators, Inc.)

US \$200,000,000 Production Payment Financing

Arranged by CHEMICAL BANK

Funds Provided by CHEMICAL BANK

Citibank, N.A. • Bank of America N.T. & S.A.

Manufacturers Hanover Trust Company • Mellon Bank N.A. • Marine Midland Bank National Bank of Detroit • Security Pacific National Bank • Wells Fargo Bank, N.A. Bank of the Southwest, N.A. • First City National Bank of Houston The Cleveland Trust Company • The Northern Trust Company Texas Commerce Bank N.A. • First National Bank of Boston The First National Bank of Chicago • First National Bank of Fort Worth European-American Bank & Trust Company • Capital National Bank

November 23, 1976

Handwritten Arabic text: حكمة من الاهل

NEW YORK MAGAZINE GROUP TAKEOVER BATTLE

Murdoch moves closer to victory

BY STEWART FLEMING

IN HIS election to the Board of New York Magazine, Mr. Murdoch has taken an important step towards gaining control of the company...

In New York magazine owned by Mr. Carter Burden, to Mr. Murdoch, a wealthy New York socialite, acquired his interest in the magazine group...

barring the sale for \$8.25 a share, compared with the \$7.50 which Mrs. Katharine Graham's Washington Post group is prepared to offer...

NEW YORK, January 5.

Today Mr. Felker, in accordance with the views expressed by the staff, announced that he has refused to meet with Mr. Murdoch...

Pinochet reasserts claims in Antarctic

By Robert Lindley

CHILE'S President Augusto Pinochet set off today on a ten-day trip, the principal aim of which is to reassert Chile's claim to about half of the Antarctic...

Becoming America's 51st state, as Mr. Ford suggests, may be an undesirable dream for Puerto Rico. Gordon Weil describes its...

Deep confidence crisis

WHILE the U.S. was voting a Democrat in as President, the Commonwealth of Puerto Rico was tossing the Democrats out...

which included one-third of all those employed, should be sharply cut. In addition, the annual \$250 bonus paid to civil servants should be abolished...

like to see greater protectionism to guarantee it a preferential place in the U.S. market.

Republican unity moves

By Jack Martin

WASHINGTON, Jan. 5. THE BIG fear of the Republican Party—President Ford's Vice President Spiro T. Agnew...

NYSE lifts foreign member ban

BY JAY PALMER

AN ERA of the 185-year-old New York Stock Exchange will end tomorrow when the Big Board, America's largest and most important securities market...

The SEC's untested contention, apparently accepted by the NYSE, is that the whole package of rules blocking foreign membership is in violation of the 1933 Securities Act...

NEW YORK, Jan. 5.

The NYSE decision to begin the highly complicated three- or four-month process of eliminating its rules simply means that the Exchange, adhering to its recent policy of accepting competition...

Irish wage agreement close

By Giles Martin

Irish wage agreement close

Proposed settlement in Equity Funding cases

BY OUR OWN CORRESPONDENT

AUDITORS charged in civil suits with failing to uncover widespread fraud which led to the collapse of Equity Funding Corporation in 1973 are considering a proposed settlement...

NEW YORK, Jan. 5.

The basis of the class actions against these companies was that they could have uncovered the fraud if in the case of the professional advisers, they had exercised reasonable diligence.

NEW YORK, Jan. 5.

The settlement further underlines the pressure on professional advisers in the U.S. to uncover fraud being perpetrated by their clients.

OPEC aid rise likely

BY OUR OWN CORRESPONDENT

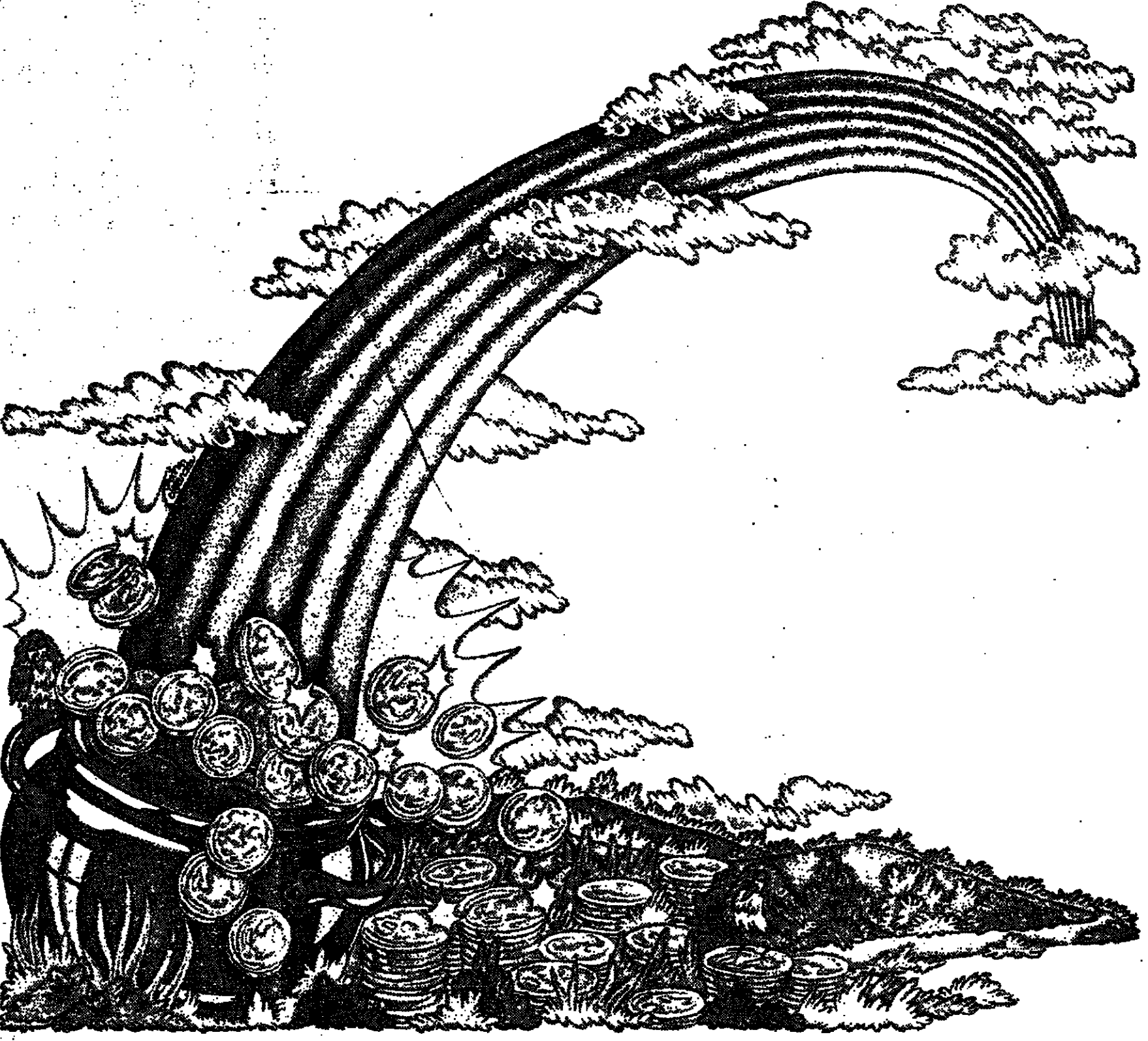
THE \$800M OPEC fund, designed to help oil-poor developing states cope with high oil prices, will be increased by \$1bn, Venezuela's Finance Minister Hector Hurtado said today.

CARACAS, Jan. 5.

Year-end figures released by the Venezuelan Ministry of Mines and Hydrocarbons indicated that 1976 production was about 100,000 barrels per day above the Government's early projections for the year.

CARACAS, Jan. 5.

The world's fourth largest petroleum exporter, Venezuela has been cutting back on crude output steadily since the Government of President Carlos Andres Perez took office in 1974.



Bank Stock Quarterly
Published by M. A. SCHEPIRO & CO., INC.
Underwriters - Brokers & Dealers in Bank Securities
One Chase Manhattan Plaza
New York, N.Y. 10005
IN THE CURRENT ISSUE:
• How Banks Are Doing
• Growth Rate of Loans and Investments
• Performance Per Share, 1969-1973-1976
• More on Parent Company Disclosure
• 50 Years of McFadden: Impasse For Banking Growth
Copy available on written request
January 4, 1977

Whether or not your firm finds new profits depends where you look
In today's economic conditions, the pressure is on industry to invest - to ensure productivity and provide employment.
But, tough competition and price restraint mean that the profits to fund such investment must be found in the areas of greater efficiency and trimmed costs.
And, more and more industrialists are achieving these, simply by introducing electricity for some of their processes.
We know well enough you won't be convinced by anything except facts and figures, so here are just some - in brief.
Using electric induction furnaces, a heating manufacturer saved 30% on melting costs.
A similar investment increased a hydraulic company's productivity by 25%.
A spring-maker virtually eliminated a reject rate of 5%.
And a similar result was achieved by a plastics coating firm - who estimated that their electric compressed air drying investment was repaid in 7 weeks.
Better products. Lower unit costs. These are the positive benefits electricity is bringing to many firms.
Not forgetting the advantages of being cleaner, quieter and simpler than a fuel that has to be burned.
Talk things over with the Industrial Sales Engineer at your Electricity Board. The sooner you do, the more you'll gain.
INVEST-ELECTRIC
The Electricity Council, England and Wales.

SPY REPORTS

WORLD TRADE NEWS

Arab defence procurement policy clarified by Cairo

By MICHAEL TINGAY

EGYPT'S prolonged efforts to replace Soviet weapons by West European military hardware were in focus today as Mr. Yves Bourges, France's Defence Minister, arrived in Cairo last night for a five-day visit at the invitation of General Mohammed Abdel Ghani el Gamassi, Egypt's Minister of War and War Production.

Boost for Indo-Soviet trade

By K. K. SHARMA

AGREEMENTS on Indo-Soviet collaboration in joint projects, including technology and manufacturing, were announced today.

Turkish-Iraq pipeline opens

By METIN MUNIR

THE Turkish-Iraqi pipeline which will carry crude from the northern oil fields of Iraq to Turkey's eastern Mediterranean coast has been inaugurated at a ceremony at the oilfield of Kirkuk.

ICI plans European expansion

By Rhys David, Chemicals Correspondent

ICI is to look for a new site in north-west Europe to expand its manufacturing activities on the Continent.

Spain's motor industry in reverse

By TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

GENERAL MOTORS' withdrawal from its negotiations for British Leyland's car gave notice of a radical change in the international view of the Spanish motor industry.

Christie's to open in NY

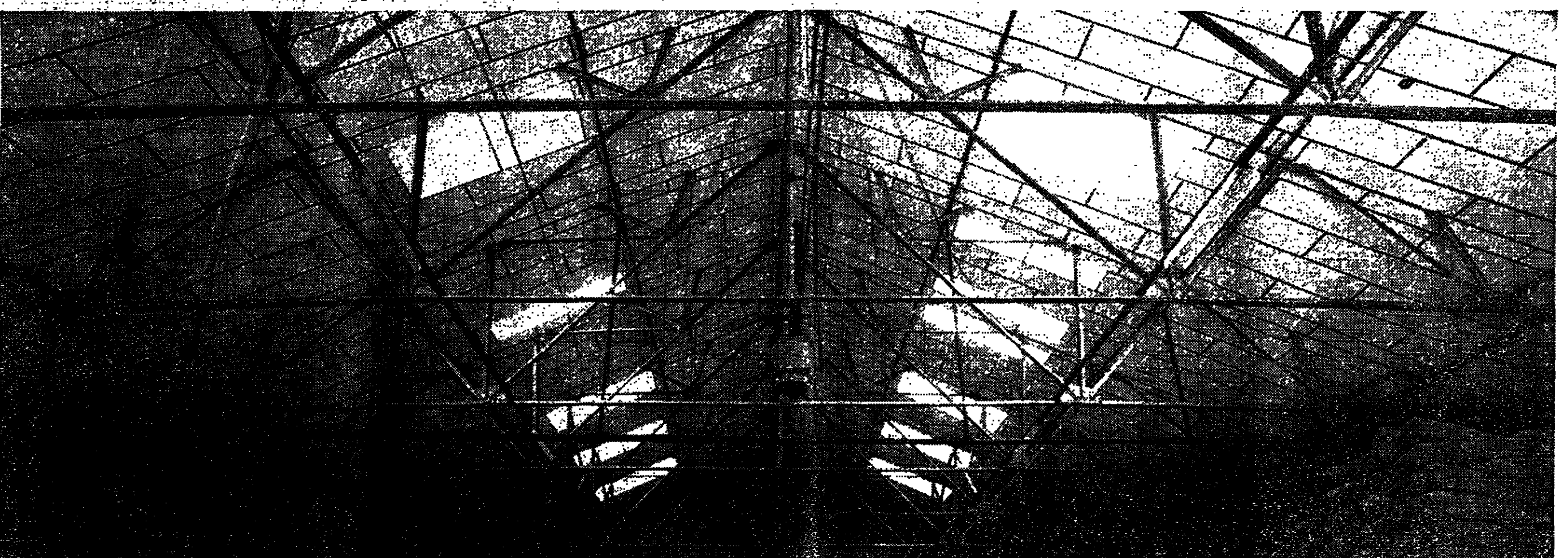
By ANTONY THORNCROFT

AFTER MANY months of speculation Christie's, the London auction house, announced yesterday that it was opening a permanent sale room in New York.

Coats Patons to expand into Europe

By ELMOR GOODMAN

COATS Patons is considering expanding its chain of Country Casuals shops into Europe.



WHEN THE PRICE OF FUEL WENT UP SO DID THE INSULATION. RECKITT & COLMAN (Pharmaceutical Division)

Reckitt & Colman couldn't do a thing about the large rise in fuel prices between 1974 and 1975. But they did do something about the heat escaping through the roof of one of their Hull warehouses.

These simple but effective steps were just three of the measures recommended in an Energy Audit conducted by independent fuel consultants. But they're by no means the only measures the company have taken.

Form with fields for Name, Company, Address, Position, and a 'SAVE IT' stamp. Text: To: Department of Energy, Free Publications, P.O. Box 242, London SE1 0DE.

HOME NEWS

Three-man inquiry into gas explosions

FINANCIAL TIMES REPORTER

A THREE-MAN inquiry is to be set up to investigate the recent series of gas blasts. The decision was taken at a meeting yesterday between Mr. Anthony Wedgwood Benn, the Secretary for Energy, and Sir Denis Kooke, chairman of the British Gas Corporation.

The inquiry, with Dr. Philip King, senior lecturer in chemical engineering at the University of Manchester, Institute of Science and Technology as chairman, will be asked to probe all the circumstances surrounding the explosions, and report to Mr. Benn and Sir Denis as soon as possible. The report will be presented to Parliament and published.

Details of the membership of the inquiry team will be announced shortly.

The decision was welcomed yesterday by the British Gas Association, which pointed out that each incident was already subject to a formal inquiry by the corporation.

"Any lessons that the gas industry can learn will be learnt. Safety is, and always has been, a top priority. We do, however, need the co-operation of the public in reporting smells of gas in the street or in buildings," the statement added.

The corporation pointed out that no charge is made for checking a suspected leak or for making equipment safe. Earlier, Mr. William Molloy, Labour MP for North Ealing had claimed that people were not reporting leaks for fear of being heavily charged for repairs.

The BGC said: "Having made safe, a charge may be made for subsequent work to repair a customer's appliance or pipe-work between the meter and the appliances. No charge is made for repairs to the meter itself or to the pipe carrying gas from the main to the meter.

The BGC described the allegations as ill-informed and irresponsible, claiming that the council was merely reacting to speculation about the causes of the explosions. "The safety record of British Gas is second to none," the corporation says.

In addition, statistics show that gas is at least as safe as any other of the main sources of energy. The recent explosions must be kept in perspective and seen in relation to this record of safety.

Meanwhile, a detailed gas Board investigation into one of the recent blasts—in Bristol—began yesterday. The explosion in the Park Street shopping area took place a week ago, but the start of the investigation by South West gas engineers and experts from the British Gas Research Establishment has been delayed because of rubble clearance and the possible danger of a wall collapse.

The Bristol investigation is likely to take several days and the results of the examination will be handed over to the three-man inquiry team. Altogether there have been six serious gas explosions since the Christmas break.

Hardship

"In cases of hardship, the cost of any repair work in a customer's home may be met in whole or in part by social security or the local authority social service department."

The corporation also reacted strongly yesterday to criticisms levelled at it by the Independent British Safety Council which claimed insufficient warning had been given of possible hazards following the long hot summer.

Inflation accounts requested

By Michael Lafferty, City Staff

THE STOCK EXCHANGE has taken early action to encourage the adoption of the recently-announced inflation accounting proposals by strongly urging quoted companies to publish approximate unaudited profit and loss and appropriation accounts on the new basis, as supplements to their next accounts.

The information should be drawn up in accordance with the draft 18 on current cost accounting (CCA) of the Morth Inflation Accounting Steering Group which was published on December 1.

The advice is given in a letter from Mr. Nicholas Goodison, the Stock Exchange chairman, which has just been posted to the chairmen of all companies quoted in London.

The new Stock Exchange recommendation is a considerable advance on the advice which it previously gave to companies in January 1976. Under this they were asked to publish estimates of the impact of CCA on stocks and fixed assets, as well as an indication of the impact of general inflation on their holdings of monetary assets and liabilities.

Mr. Goodison's letter states that it would now be "best practice" for listed companies to take the following action:

- Prepare internal systems to facilitate the adoption of an accounting standard along the lines of exposure draft 18 (ED 18), while bearing in mind the possibility that the standard may differ in detail from the exposure draft;
- Communicate without delay any comment on ED 18 to the Inflation Accounting Steering Group;
- As soon as practicable in accordance with ED 18 an approximate unaudited profit and loss and appropriation account, on an extended basis, as a supplement to the annual report and accounts, and to continue publication of such a statement until a definitive standard takes effect;
- If it is not practicable to produce the recommended profit and loss and appropriation account, the next published accounts should continue to give the estimates, which the Stock Exchange called for in its January 1976 letter.

'Best practice'

introduced to help redress the grievance over "the narrow margin between income from work and income from idleness."

Small business and the self-employed would be encouraged and, under proposals to be published soon, workers would be given opportunities for profit-sharing.

Sir Geoffrey's speech largely met demands yesterday from former Cabinet Minister, Mr. Peter Walker, for the Conservative leadership to develop policies and programmes that would attract moderates.

Splits in the Labour Party gave the Conservatives a unique opportunity to show itself a party for economic growth combined with social compassion," he said.

Mr. Walker called for tax incentives practical profit-sharing programmes, and a tax credit policy for employee participation. He also demanded a policy for employee participation in secret profits from share transactions through the Singapore-based Haw Par Brothers International group were made at Horseferry Road court, London, yesterday.

Mr. Ronald Waterhouse, QC, claimed that Mr. Slater and Mr. Richard Tarling had each made £200,000 profit.

Mr. Waterhouse also claimed that the conduct of the affairs of Haw Par by certain former executives of Slater Walker Securities—which once had a large stake in the Singapore concern—fell "lamentably below" the standards required.

The Singapore Government is seeking the extradition of Mr. Slater, 46-year-old former head of Slater Walker Securities and of Mr. Richard Tarling, 42, former chairman of Haw Par Brothers International.

Mr. John Mathew appears for Mr. Slater, a law firm of Escher, Surrey, and Mr. Andrew Bateson, QC, for Mr. Tarling, a company director, of Wimbledon.

The magistrate, Mr. K. J. P. Barraclough, was told that the case for extradition centred largely around Slater Walker Securities, which had been set up to give share incentives to a small number of Slater Walker executives.

Outlining the application, Mr. Waterhouse said it followed an inquiry into Haw Par Brothers International in Singapore by English company inspectors appointed by the Singapore Finance Ministers under the Singapore Company Act which was similar to the English Companies Act.

Mr. Waterhouse said that in June 1971, Slater Walker Securities acquired 46 per cent of shares in Haw Par Brothers International.

Slater Walker sold its interest in Haw Par in July, 1974, and at that time held about 26 per cent of the share capital.

The case concerned the manner in which Slater Walker exercised its trusteeship in relation to Haw Par and the manner in which Slater Walker directors of Haw Par discharged their duties of disclosure to shareholders.

Mr. Waterhouse said the application for extradition in made by the Singapore Government because the companies in Singapore should be administered in accordance with the letter and spirit of the law. "The case in these proceedings is that the conduct of the affairs of Haw Par Brothers International and its subsidiaries by Slater Walker between 1972-1974 fell lamentably below the minimum required standards."

The charges related to three aspects of the conduct of the affairs of Haw Par Brothers International: first, the history of Slater Walker Securities, a share investment company for the benefit of a small number of Slater Walker executives, including Mr. Slater and Mr. Tarling; second, the manner in which Slater Walker exercised its trusteeship in relation to Haw Par and the manner in which Slater Walker directors of Haw Par discharged their duties of disclosure to shareholders; and third, the manner in which Slater Walker exercised its trusteeship in relation to Haw Par and the manner in which Slater Walker directors of Haw Par discharged their duties of disclosure to shareholders.

Slater 'in plot to make £1m. through Haw Par deals'

More Labour rule 'a danger'—Howe

BY PHILIP RAWSTORNE

SIR GEOFFREY HOWE, Conservative Shadow Chancellor, last night spoke of the "very real danger" of the Labour Government continuing in office.

Tensions within the Government might tear it apart at any time, he said in Leicester. But the Left could recognise its interests in avoiding such a situation.

"For them there is the very real hope of being able to exploit the prospect of North Sea oil so as to lull the nation into extending their grip on the future."

Sir Geoffrey said that the opportunities that North Sea oil could provide would then be cast away in a grab, State-dominated by the Labour Government.

Conservatives would offer an alternative based on the removal of obstacles to initiative and enterprise, and the provision of financial incentives.

Government controls would be relaxed, the balance of the tax system shifted to indirect taxes, and its structure simplified.

A tax credit system would be

SUGGESTIONS that Mr. Jim Slater, the financier, had plotted with other Slater Walker Far East executives to make nearly £1m. in secret profits from share transactions through the Singapore-based Haw Par Brothers International group were made

at Horseferry Road court, London, yesterday.

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Government criticised on pensions

By Eric Short

THE GOVERNMENT was yesterday criticised by Mr. Ron Peel, chief executive of Legal and General Assurance Society, for its continued refusal to allow employers to make pension improvements outside the pay limits.

In his new business report for 1976, he claimed that the current situation of allowing improvements only up to the minimum standards set for contracting out under the Social Security Pensions Act, 1975, would result in a haphazard development of the promised partnership between State and private pensions.

He pleaded with the Government to announce a date from which improvements up to normal limits could be adopted without counting against the pay limits. Employers could then plan for reasonable standards in their pension provision which had to be completed by April 1978.

Mr. Peel went on to warn employers that they could face severe difficulties if their consultation on pension provision with employees were delayed too long in 1977. Urgent action was vital to avoid the chaos that the Occupational Pensions Board had warned could occur in applications for contracting out certificates were delayed with the December, 1977, deadline.

Company pensions and group life business of L and G in 1976 amounted to £98.2m. in new premiums, stated Mr. Peel, compared with £59.09m. in 1975. But this latter figure included one very large scheme which was not expected to recur in 1976.

Details Page 19

The Wellcome Foundation Limited

Report for the year ended 28 August 1976

	1975-6	1974-5
Capital employed	£177,656,000	£146,833,000
Group sales	£290,238,000	£212,887,000
Profit before tax	£41,412,000	£26,214,000
Profit after tax and before extraordinary items	£19,804,000	£11,024,000
Expenditure on research and development	£23,062,000	£15,932,000

"I am happy to be able to report continuing progress on a broad front," says Mr. A. A. Gray, Chairman of The Wellcome Foundation Limited, in his annual review. "Sales have increased in all four of our operating regions and the total, amounting to £290 million, is an increase of 36% over the previous year."

"Profits before tax were £41 million. This increase has been achieved in spite of a rise of prices for raw materials and wages, by no means all of which can be recovered in prices which, in our industry, are generally subject to outside control."

"Expenditure on research and development rose to £23 million, against £16 million in the previous year, giving renewed evidence of our determination to expand this fundamental work in real terms. Of the £20 million profit after tax, once again a high proportion, 80%, has been retained in the business to finance future expansion."

"Once again approximately 85% of sales to third parties were outside the United Kingdom. Direct exports rose from £44 million to £51 million. The company gained the Queen's Award for Export Achievement in 1976, the only major pharmaceutical company to win the Award."

"Our operations in the United States are a most important part of the total group and have provided an increasing stream of dollar remittances to the United Kingdom balance of payments."

"Our retained profits over the last five years have amounted to £16 million compared to an increase of only £5 million in net group debt. These factors, together with a significant redeployment of assets within the Group, have enabled us to finance the very rapid expansion of our business."

"This is my last annual report before retiring as Chairman of The Wellcome Foundation Limited. I feel confident that, in any manageable economic circumstances, I can forecast further progress under the leadership of Mr. A. J. Shepperd as the new Chairman and Chief Executive."

The Wellcome Foundation Limited is an international group of pharmaceutical and chemical companies with headquarters in the United Kingdom. Under the Will of Sir Henry Wellcome, all distributions received by the trustees who are the sole shareholders are applied by them to the support of medical and veterinary research in universities and hospitals throughout the world.

BBC claims Christmas victory

BY ARTHUR SANDLES

THE BBC says it crushed ITV in the Christmas ratings war, and that it won the biggest audience of the year (27m. throughout the day the audience viewers) for the much heralded Morecambe and Wise Show which included Angela Rippon, the news reader, in a song-and-dance routine, but the Christmas Day audience split in a ratio of 73-27 in the BBC's favour.

The Corporation says such shows as Bruce Forsyth and the Generation Game and the film Airport achieved audiences of more than 20m., while the best ITV could do was 9.5m. for Please Sir. The BBC 2 ballet film, Tales from Beatrix Potter, had an audience of 3m.

On Christmas Eve, 21m. favour.

watched the BBC's Porridge, 19.5m. Are You Being Served?, and 12m. the final of Mاستند. Throughout the day the audience was divided 74 to 26 in the BBC's favour. ITV's biggest audience on Christmas Eve was just over 7.5m. for the film Terror on the 40th Floor.

The biggest audiences on Boxing Day: Sunday were 15.5m. for the films Love Story and The Wizard of Oz. Dad's Army was watched by 13.5m. The Val Doonican Show and A Man For All Seasons both had audiences of 13m.

The highest ITV audience that day was 8.5m. for the film Catch Me A Spy. The viewing ratio was 74 to 26 in the BBC's

THE DEVOLUTION DEBATE

Shetland fights SNP plan

BY RAY PERMAN, SCOTTISH CORRESPONDENT

OFFICIALS AND senior members of the Shetland Islands Council yesterday discussed amendments to the Devolution Bill designed to protect the islands' status and the considerable wealth being drawn from oil revenues in compensation for the upheaval caused by the development of North Sea fields.

The islands are preparing a sustained campaign to make sure their arguments are heard before a devolution settlement is reached. They are determined not to be swallowed up in a semi-autonomous Scotland and have already sent letters to all MPs and members of the House of Lords.

Draft amendments to the Bill will be considered by the full council on Wednesday, and members will also look at the contingency plan. If the amendments fall then, private legislation will be promoted to give Shetland the type of autonomy enjoyed by the Isle of Man or the Faroes.

Mr. Jo Grimond, Liberal MP for Orkney and Shetland, arrives in Lerwick to-day to discuss this at an open meeting. He will bring with him a member of the House of Keys (the Isle of Man Parliament) and the Faroes' adviser at the Danish Foreign Ministry.

The position of Shetland is of considerable importance to the Scottish National Party's plans for independence, and is likely to figure strongly in the referendum campaign in the autumn.

If Shetland were to decide to remain part of the U.K. rather than joining any future independent Scotland, many of the major oilfields in the North Sea would remain British. These would include some of the biggest fields such as Brent and Ninian as well as a handful of medium-sized ones.

The SNP has offered Shetland home rule, but no control over oil.

If the Orkney Islands followed the Shetland's example, then the Piper Field would remain within the U.K. sector.

Mr. Alexander Tulloch, co-ordinator of the Shetland Islands' campaign, said yesterday: "The Government has not realised how much Shetland has done in the national interest. Supporting us had taken the other side and gone along with the SNP, we could have delayed oil production for years."

United Kingdom break-up fear

BY KEVIN DONE, INDUSTRIAL STAFF

THE GROWING tide of opposition from the English regions to the Government's devolution proposals for Scotland and Wales has brought a new attack from the Tyne and Wear County Council, which fears its own independence will be threatened by the break-up of the United Kingdom.

Tyne and Wear, which was the first local authority in England to declare opposition to the Government's devolution proposals in 1975, yesterday voted against plans to set up assemblies in Scotland and Wales. It expressed deep disappointment at the Government's document on devolution for the English regions.

The council feels that if the Devolution Bill is passed, it will bring about an economic imbalance favourable to Scotland at the expense of the North-Eastern Region and other English regions, and will inevitably lead to a break-up of the fundamental unity of the U.K.

The vote was unanimous, and the council firmly rejected the Government's new list of proposed changes. It also expressed determined opposition to the existing Scottish and Welsh Development Agencies on the grounds that they are placing the English regions at a severe economic disadvantage.

Councillor Colin Gray, chairman of the international committee, who proposed the motion, said the unity of the U.K. was threatened by proposals based on the same nationalistic claims that had bled Europe while on two occasions this century.

"Once a British Government has paid its Danegeld to nationalism, once it has accepted the

proposition that the Scots and Welsh are separate peoples and not just useful tourist gimmicks, there can be no road back."

The proposed referendum in Scotland and Wales on the Devolution Bill was attacked for allowing a voice to 99 per cent of the British population. "Any change in the fundamental structure of the U.K. must be of concern to 90 per cent of its people," said Councillor Gray.

He condemned the lack of imagination shown in the Government's document on devolution for the English regions, which could only come down in favour of "a more powerful plan of regional devolution by a larger number of civil servants in the regions. This solution is equivalent to offering an alcoholic second bottle of whisky a day."

Tories 'playing dirty trick' on Wales

BY OUR BELFAST CORRESPONDENT

A NEW attempt is being made in Ulster to stimulate some fresh thinking among Unionists on the prospects of obtaining a degree of devolution for the Province.

It is being undertaken jointly by Mr. William Craig's Vanguard Unionist Progressive Party and the Official Unionist Party of Northern Ireland. Both are broadly in favour of some form of government involving the two communities.

The parties decided after talks in Belfast to approach the Official Unionist Party, led by Mr. Harry West, which is the largest single party in the Province and the senior member of the Loyalist coalition.

Serious discussion on devolution among Unionist politicians has been missing since the last summer. Although neither Vanguard nor the UPNI are seeking immediate changes in Official Unionist policy, they hope to persuade the party to reconsider its position in the face of continued British rejection of its demands for majority rule.

Mr. West has agreed to a meeting to be held shortly, to discuss two recent proposals about devolution. The first was put forward by Mr. James Moynihan, leader of the Ulster Unionist MPs in the Commons. He suggested that Ulster might be set up as an administrative rather than legislative, body at Stormont.

The other proposal before the meeting will be the suggestion of Mr. Airey Neave, Tory spokesman on Ulster, for a Council of State to advise on the administration of direct rule.

Mr. Roy Mason, Ulster Secretary, is understood to be encouraged by the idea of purely administrative devolution for the Province, but the Government is still resisting pressure to bring forward any new initiative of its own to help break the constitutional deadlock.

New Ulster hopes

Representatives will meet Mr. John Silkin, Minister of Food and Agriculture, next week to present him with a four-point plan.

The organisations will urge the Government not to agree in any devaluation of the "green pound" without changes in the way food prices levels are decided.

Churches call for 'gambling hells'

SPECIAL BETTING OFFICES

which would probably become "gambling hells" should be provided for certain gamblers, the Churches' Council on Gambling suggests today in a report to the Royal Commission on Gambling yesterday.

"Action" gamblers, for whom off-course betting means listening to race commentaries and "sorting" into the action, should be separated from those who merely wanted to "have a bet."

"Action" betting offices could have an admission charge to make going there a matter of decision and effort. Such specially designed premises would probably become gambling hells, says the council, and "recoils from this prospect, but recognises that for some people that is what betting offices now are."

The "action" offices should not be arranged without considering the casualties which would almost certainly follow and the need to prepare the social, health, probation and after-care services to deal with them.

Race commentary acts first as an inducement to bet there in an attempt to bet on more than one race.

"Spot the Ball" and other competitions should be subject to controls which now govern commercial pools if a stake is laid by a competitor and if the winner is determined by chance.

Consumer call for change

TWENTY BRITISH CONSUMER ORGANISATIONS

demanded fundamental changes in the EEC's agricultural policy. Delegates at a conference sponsored by the Consumers Association and the National Consumer Council, urged the Government to protect consumers from large food price rises in the coming year. For too long the EEC's farm price decisions had been dominated by producers. The result was a system which encouraged inefficiency, waste and high prices.

Representatives will meet Mr. John Silkin, Minister of Food and Agriculture, next week to present him with a four-point plan.

The organisations will urge the Government not to agree in any devaluation of the "green pound" without changes in the way food prices levels are decided.

Oil boosts dock trade

TRADE AT Tees and Hartlepool docks continued to rise during the third quarter of last year, mainly because of North Sea oil that traffic exceeded 7m. tons.

JOHN WADDINGTON LTD

INTERIM STATEMENT

	28 weeks to 10th October 1976	28 weeks to 12th October 1975	52 weeks to 28th March 1976
Sales	18,730	15,026	27,955
Profit before Taxation	2,025	921	1,735
Less: Taxation*	1,095	55	1,031
Profit after Taxation	930	366	704
Amount attributable to Minority Shareholders	(7)	(7)	(7)
Profit after Taxation attributable to the Shareholders of John Waddington Ltd.	937	373	711

* The charge for taxation has been calculated at 52% but certain losses of overseas subsidiaries do not give rise to a corresponding tax relief.

TRADING RESULTS

The improvement in trading conditions reflected in the latter part of the last year has continued in this year and the Company is now showing a return on sales which is similar to the record year of 1974/75.

Demand for packaging has been satisfactory and Plastona (John Waddington) Ltd. is now doing well in spite of severe competition and the arrival of many more new games than the market can bear. Waddington's House of Games Ltd. is having a good year. Valentines of Dundee Ltd. sold all its Christmas merchandise and seems to be set to make yet another record profit. In short all the major parts of the Company are successful.

Capital expenditure has continued during the difficult conditions of recent years and is now being increased in the hope that profitability will be large enough to allow replacement and modest expansion. However, your directors are aware of the present political attitude to private enterprise and do not intend to undertake any expansion which might make the Company vulnerable. The cash position is good.


DIVIDENDS

for the whole year will be increased by the maximum permissible (10%). - In order to improve the balance between interim and final dividends the Board has raised the interim dividend from 1.3125 pence per share to 2 pence per share.

These securities having been placed privately outside The Netherlands, this announcement appears as a matter of record only.

Dfls 75,000,000

THE CITY OF OSLO



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Algemene Bank Nederland N.V. Kredietbank S.A. Luxembourgeoise Kuhn, Loeb and Co.
 Amsterdam-Rotterdam Bank N.V.
 Bank Mees & Hope NV
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January 6, 1977

Post Office Board now three members short

BY KEVIN DONE, INDUSTRIAL STAFF

THE Department of Industry, months ago from his post as...

about the future of the Post Office Board. The Carter committee is...

General Accident raises car rates

BY ERIC SHORT

ABOUT 1m. motorists, insured with the General Accident group...

PLA bid to sharpen competition

By Our Shipping Correspondent

IN AN EFFORT to sharpen its competitive edge the Port of London Authority has announced...



OVERSEAS SALES are the main theme of the Boat Show which opens at Earls Court...

THE NEXT 12 months are likely to see negligible economic growth, according to all the main forecasting organisations.

more than £500,000 of overseas orders on the trade day. The industry is feeling more confident...

The dinghy market suffered badly. There has been a severe reduction in the number of manufacturers...

Healey expects cut in interest rates

BY ADRIAN HAMILTON

AT A SOBER meeting of the National Economic Development Council (NEDC) yesterday...

The Chancellor conceded that the prospects for world trade were far from optimistic...

Inquiry into Welsh exam results

THE DISCREPANCY between a Welsh exam spokesman's examination results in England...

IN BRIEF 'House builders' 'survival' plan

A plan aimed at preventing house prices soaring later this year and avoiding further unemployment...

ECONOMIC PROJECTIONS FOR 1977 Growth rate low, say forecasters

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

Table with columns for Treasury, OECD, National Institute, Business School, Phillips & Drew, Wood Mackenzie. Rows include Consumer expenditure, Exports, Imports, etc.

Alderney economy study agreed

THE STATES—Parliament—of serving financial resources, the Alderney has agreed to an States decision yesterday...

U.K. ECONOMIC INDICATORS

Table with columns for 1976 and 1975. Rows include General Unemployment, Currency reserves, Basic materials, etc.

Go-ahead for Welsh factory

A £100,000 scheme to build a 20,000 square feet advance factory at Llandegai Industrial Estate...

Souvenir guide

The Design Council's gift and souvenir guide for trade buyers will be launched at the International Spring Fair...

Tricycle demo

Weekly demonstrations organised by the Invalid Tricycle Action Group and the Haemophilic Action Group begin on Saturday...

Decision day

Labour Party agents will meet on Monday to decide whether to continue opposition to the appointment of Mr. Andy Bevan...

Supercover

Layland is to improve its Supercover scheme for new car buyers to give second-year AA cover...

Drug danger

Doctors influenced by false advertising of drugs are prescribing dangerous remedies...

Unemployed

The London Business School, in its forecast, published in last week-end's issue of the Sunday Times...

Optimistic

The most optimistic of the balance-of-payments forecasts comes from the National Institute...

Advertisement for The Republic of Singapore Japanese Yen Bonds of 1976 - First Series. Includes details about 10,000,000,000 Japanese Yen, 8.9% Bonds due 1988, and lists of participating securities companies.

Vertical text on the left margin: Churches call for 'gambling hells', Consumer for change, Oil links dock trade.

THE JOBS COLUMN

Management in depth

BY MICHAEL DIXON

DAVY JONES'S Locker has provided good pickings for the director, the newcomer will Marcellus-based Comex group report to Jean-Pierre Donnat, since it was founded 15 years ago by Henri Delauze, a former division in Marcellus, and have associate of oceanographer the prime task of running the Jacques Cousteau.

Last year's turnover from the Mr. Duffield thinks candidates need at least five years successful experience in contracting-type of business, involving about \$110m. And Comex is preparing to recruit a new managing director for the French group's subsidiary, Comex Diving, which serves North Sea operations from its U.K. headquarters in Aberdeen.

There the newcomer will have charge not only of about 300 divers and perhaps 200 more technical and other staff, but also of a fleet of support vessels including Uncle John who is both semi-submersible and dynamically positioned. Among other activities at Aberdeen are technical and diving training centres, testing facilities, and a medical services division.

YMCA centre

IT HAS taken half a dozen years, about £7m. in government loans and grants, and some £2m. from its own sources for the Young Men's Christian Association to set up its new central London complex at the corner of Tottenham Court Road and Great Russell Street. And though the large hostel providing longer-term accom-

modation for students and the like, and the smaller £7 to £10 a night hotel, have already opened, much is still to come, including a conference centre, an extensive recreational club, a public restaurant to be run under the Happy Eater franchise, about 12,500 square feet of commercial offices and shop, not to mention a 150-space car park to be leased to NCP.

Interested readers of sufficient calibre should write for a job specification to Mr. Adams at the London Central YMCA, Great Russell, Street, London W.C.1.

Projects chief

PETER SHARP is seeking a chief project manager to join the Babcock and Wilcox subsidiary, Jenkins of Retford. The company, near the Nottinghamshire/Yorkshire border, specialises in bulk handling and process equipment particularly for coal and steel. Candidates should be chartered engineers, preferably with degree, must have managed "multi-disciplinary" contracts, and be well versed in planning, scheduling, cost-control and so on. Age range around 40-50. Responsibility is to Jenkins' managing director, Gordon Wilson.

Once again, salary is not specified, but my estimate would be around £8,500. Company car provided. Applications to Mr. Sharp at Jenkins of Retford, Retford, Nottinghamshire DN22 7AN—tel. Retford 2231.

ACCOUNTANCY APPOINTMENTS

Financial careers in a dynamic growth environment

Hestair Limited

These are genuine opportunities for young accountants with the ambition and talent to achieve top financial management—or general management—positions within about five years. Hestair can offer this kind of systematic career progress because of our strong commitment to growth, self-improvement and particularly to the development of advanced financial systems.

This commitment has already been demonstrated by our performance over the past five years—from a loss-making company with a £2 million turnover, to a Group with a current sales budget of almost £50 million and profits which are likely to put it into the 'Times 300'. This has been achieved through a series of acquisitions followed by reorganisation, improvement and effective financial control: experience which has equipped us with a substantial body of knowledge and a strong base for continuing development.

Hestair is now a diversified group with subsidiaries that export, import, manufacture and distribute. We operate within engineering, paper converting, toys, hi-fi, publishing and have a multi-location service company. Your future career could develop within any of these companies, which all have a high degree of management autonomy. Salaries are high and progress based entirely on performance.

To apply, you should be aged 23-29 with ACA or ACMA and ideally a university degree. You'll also need a high level of technical proficiency, post-qualification experience in a large professional office or a growth-oriented industrial company, plus uncompromising standards and a fundamental urge for improvement.

If you have the experience, ability and ambition and are stimulated by the Hestair style of management, please write outlining your career to date to: David Hargreaves, Chairman, Hestair Limited, 10 Castle Hill, Windsor, Berks, SL4 1PD.

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25-30 c. £5,500 + car scheme

Leyland International invites applications from suitably qualified and experienced financial executives for the above vacancy in the Controller's Office in London.

The successful applicant will be the prime financial contact between Group management and designated overseas subsidiary companies. The main activities comprise management reporting, profit planning and budgetary and capital expenditure control.

The person appointed will be encouraged to develop a wide interest in the broader aspects of international business management. Applicants, male or female, should be qualified accountants. A degree standard of education would be an added advantage. The presentation of operating proposals and reports, at Director level, will necessitate well-developed communication skills and precise analytical ability.

Some overseas travel will be required. For the ambitious person, varied career opportunities exist either in the UK or overseas.

Employee benefits include a management car scheme and 5 weeks holiday a year. Relocation expenses will be reimbursed where appropriate. For an application form, telephone (01) 486 6000 ext. 409 or write not later than Monday 24th January to:

Leyland International

Nigel Brockmann, LEYLAND INTERNATIONAL, 174 Marylebone Road, London, NW1 5AA

Assistant Treasurer

The Treasurer's Department in the London Headquarters of the RTZ Group is involved either directly or in an advisory capacity with fund raising, cash management and planning, dividend policies and remittances, currency risks and investment. It is also the prime contact with the Bank of England, trading banks and brokers.

The Department is a small one and a replacement for an Assistant Treasurer who is moving to an overseas RTZ Group company is required.

The duties of the job will include assisting with the management of substantial funds in several currencies, and some participation in fund raising. These duties will involve contacts with UK and overseas banks and other financial institutions.

Ideally we are looking for a qualified person, probably around 30, with proven skills in the areas indicated above and capable of working with a considerable degree of independence. An ability to assess and lucidly report on corporate financial situations is essential. Such experience and abilities may well have been acquired in a merchant bank.

A generous salary will be paid together with attractive benefits.

RTZ

Quoting reference AT/FT, please write stating present salary, education, qualifications and experience or telephone for an application form to: D. W. Westcott, Group Personnel Services Department, RTZ Services Ltd., 6 St. James's Square, London SW1Y 4LD. Tel: 01-930 2399.

Central London

£12,000+

FINANCIAL CONTROLLER

An expanding industrial group with a turnover of \$60m. engaged in manufacturing and distribution activities from numerous locations in the United Kingdom, wishes to recruit a Financial Controller. This post has been created in order to strengthen the central financial function. The person appointed will have responsibility for budgets, the consolidation of management accounts, the co-ordination of major project studies and price control submissions and the further development of a well-established management control system.

Basic requirements:

- * Qualified accountant aged 32-38 with an ability to stimulate and guide senior managers by using logical analysis and persuasion.
- * Experience at a senior level in providing information for monitoring the profitability of subsidiary companies.
- * Proven experience in the implementation of accounting and control procedures.

Applicants must have the personality to work as a member of a small team of senior executives responsible for initiating and implementing policies to improve profitability.

The salary will be in excess of £12,000 a year with appropriate fringe benefits including a company car.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to:

The Executive Selection Division - M/F/T/D, Coopers & Lybrand Associates Ltd., Management Consultants, Shelley House, Noble Street, London, EC2V 1DQ.

HANSON INDUSTRIAL SERVICES

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Management Accountant

to assist the central divisional team in a number of assignments throughout the U.K.

Hanson Industrial Services is the major U.K. division of Hanson Trust, and comprises 14 businesses in a wide range of activities throughout the country, primarily in brick manufacture and construction equipment.

Turnover of the division is currently around £50m and in 1976 Hanson Industrial Services contributed profits of £6m to the group £19m.

The successful applicant will be a chartered accountant with one or two years post qualification experience preferably outside the profession and will be based at the head office in Knightsbridge, but must be willing to travel within the U.K. The position may therefore attract a single man or woman. A salary in the order of £5,500 will be paid and generous fringe benefits, including a company car, are available. Prospects for career advancement are excellent.

Application should be made to:

The Financial Comptroller, HANSON INDUSTRIAL SERVICES LIMITED, 180 Brompton Road, London SW3 1HF

ACCOUNTING OPPORTUNITY

- Australia

Lighting & Electrical Pty. Ltd. a large Queensland company comprising a chain of retail, wholesale, contract lighting, brown and white good outlets needs the services of an energetic, capable

CHIEF ACCOUNTANT

Location: Brisbane, Queensland. Total remuneration package \$A18,500 negotiable.

to direct the total computerised accounting section which services twenty-three outlets and head office.

The Chief Accountant will be responsible for the following accounting areas:

- Purchase Ledger.
- Sales Ledger.
- Wages.
- Nominal Ledger.

He or she will control a staff of about eight people, and will produce the monthly financial reports, carry out financial or management accounting projects, to aid his immediate superior, the Financial Controller of the company.

The successful applicant will be a fully qualified accountant, with good experience in wholesale or retail distribution business. Experience in EDP Systems would be beneficial. Preferred age is 30-40 years.

Remuneration package consists of salary, bonus payment, superannuation, good car and fringe benefits in keeping with the senior nature of the appointment. Reasonable relocation expenses will be paid to the successful applicant.

Applications in writing, giving detailed work history and contact telephone number should be addressed to Dr. G. E. New.

Omega Management Consultants, c/o S. Heyman, 7 Glenloch Road, London, N.W.3.

All applications will be kept strictly confidential. No details will be given to client until after initial interview. Interviews will take place in England during January. Successful applicant is expected to arrive in Australia by the end of March, 1977.

Management Accountant London Area

Our client is a major British company, renowned for the quality of its consumer products. In order to strengthen and regionalise their position in the market place, the Financial Director is looking for a key member of his team who will be responsible for financial forecasts, advising on profitability of products, the development of computer models, and complex calculations in connection with price control mechanisms.

This represents a unique opportunity to contribute to a growing and successful operation. Salary and benefits are generous and there are considerable outlets for promotion.

Candidates must have experience of price control negotiations (particularly within the EEC framework), and/or the use of computer models in planning and forecasting, as well as success in a financial management role.

Applicants who do not meet one of these criteria will not be acknowledged.

Please send full resumes to the consultants advising on the appointment to Ref. RM51. Robert Marshall Advertising Limited, 32-34 Wellington Street, London WC2E 7BD.

Robert Marshall Advertising Limited



A leading Stock Exchange firm requires. AN ASSISTANT ACCOUNTANT

The successful candidate will be qualified (A.C.A., A.C.C.A.) and should have an understanding of computerised systems and foreign currency accounting. Stock Exchange experience is desirable but not essential.

The Assistant will be involved with the Chief Accountant in the provision of management accounts and will be given considerable scope to develop and improve systems.

Salary is negotiable from £5,750 p.a., plus the usual benefits.

Please write to Box A.5791, Financial Times, 10, Cannon Street, EC4P 4BY.

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circa £6,000 plus car

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Applicants must hold a recognised accountancy qualification and be resident in the London area. An engineering background and sound audit experience is preferable. An ideal opportunity for an ambitious accountant with a strong interest in investigations, aged 26-35.

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The need now exists to strengthen the British Management Team by appointing a Chief Accountant, who, reporting to the General Manager, will be responsible for the entire accounting function of the Bank and its branches.

Candidates, aged 28-35, must

therefore have considerable bank accounting experience, be Members of the Institute of Bankers and preferably also belong to one of the leading accountancy bodies. Clearly a knowledge of the Middle East would be an advantage.

The tax free salary is negotiable, and other benefits will include free married accommodation, transport, six weeks annual leave and free medical treatment.

Please write in complete confidence to John Anderson as Advisor to the company at:

John Anderson & Associates, Canterbury House, 85 Newhall Street, Birmingham B3 1LH

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GENERAL APPOINTMENTS

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From £6,000 p.a.

Our Client is a world leader in precision engineering products and has growing electronics interests. With a multi-£m turnover and a substantial work force throughout the United Kingdom and overseas, they are developing fast both as a profitable business and in the area of technological innovation. Group manpower policies encourage the recruitment of a few high calibre Business Graduates to fill demanding posts with early opportunity for further advancement. There are currently five vacancies in the field of marketing and business planning

and in some cases there is a substantial element of export business involved. The jobs are located in the South West, the South East and the North East. Successful applicants will have a second degree in Business Studies from a major business school, and at least three years industrial or commercial experience. Salaries are negotiable from £6,000 per annum.

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PA Advertising

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In addition two trainee dealers are required. Please write giving educational qualifications and any career details:

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salary is envisaged, together with generous company benefits. Prospects for advancement in the parent group which is already involved in terminal market trading are excellent.

PA Personnel Services Ref: GM3/5828/FT

The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief career details, quoting reference number to the address below, or write for an application form, and advise us if you have recently made any other applications.

PA Personnel Services

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The successful candidate must have strong technical qualifications and practical experience in the supervision of budgetary planning and controls. A proven record in assessing the financial and commercial merits of acquisitions is essential. A further prerequisite is the

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It is likely that candidates will have held a senior appointment in a multinational corporation, an investment bank or other international financial institution, and be in their late thirties or mid forties.

An exceptional compensation package, income tax free, will be offered to match this key position which is required to plan, co-ordinate and control the Group's national and expanding international operations.



Please write to Michael I. McAlister, MA, FCA, Director, International Banking and Finance Division, Knight Wegenstein Limited, 36, Parkside, Knightsbridge, London SW1X 7JP. Telephone: 01-235 9149. All applications will be treated with utmost confidence.

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An international group of financing and development corporations, managing industrial and business investments in many parts of the world but mainly in developing countries, is seeking a young executive with both line and consulting experience to head its small but effective internal consulting organisation.

The Group's corporate idea has a social component but the Group is entirely self-supporting and self-financing and operates on strict business principles. Its management is a small but efficient team of highly qualified and dedicated young executives of several nationalities. It is composed of area controllers, monitoring the investments (all of a controlling nature), and of project supervisors, organising task teams. These task teams include experts from the wider organisation to which the Group belongs, from outside, as well as from the local companies. They undertake either rehabilitation programmes or new ventures from the analysis or feasibility study to the implementation or running in.

We are looking for a man between 32 and 40, with a basic engineering qualification and some graduate business or management education. He needs to have a dual career in industry management and in consulting, i.e. line experience within a production company (preferably light industrial consumer or semi-finished products) and staff experience as a project leader in a non-specialised industrial consulting organisation. He must be familiar with leading interdisciplinary project teams, co-ordination of inputs, time management, and the implementation of output. He should have handled such projects as market-product adaptation, production methods, stock management, industrial organisation and staff problems.

There are excellent opportunities of further career development within the wider organisation. Extensive travel will be required; the base will be just outside Paris.

Please write to Dr. Pierre L. Zolliker, MSL Suisse S.A., 9 Signaustasse, CH 8008 Zurich, enclosing your résumé and stating how you meet each require-

ment. (Ref. B2292-S.) No information whatever shall be disclosed to our client or anybody else, without your consent given after a personal interview.

MSL International CONSULTANTS LIMITED

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Applications are invited for a vacancy which has arisen in our credit analysis department. The work will involve assisting in overall credit procedure administration, as well as working for loan officers specialising in Eastern and Central Europe. The successful candidate will join a young, aggressive and lively group, who spearhead Crocker's marketing efforts in Europe, Africa and the Middle East. Opportunities for promotion are considerable for those who prove to be conscientious and successful.

The ideal candidate will have a good academic background and will be both numerate and articulate. He or she should have one to two years experience of working in a dynamic credit analysis environment and by now should be a self-starter. Knowledge of German or any Eastern European language will be an advantage but is not essential.

Salary will be gauged to the qualifications and experience of the individual selected, in addition to which a competitive fringe benefits package will be made available.

Please send a copy of your curriculum vitae with a covering letter explaining why you feel that you should be considered for this position to: Mr. C. Hay, Vice President, Crocker National Bank, 34 Great St. Helens, London E.C.2.

ECONOMIST For Gilt-Edged Department

Applications are invited for this post in the successful expanding gilt-edged department of a medium large firm of stockbrokers.

The successful candidate will be responsible for monitoring macro-economic trends and assisting in the formulation of forecasts for the gilt-edged market.

Applicants should be economics graduates preferably under 35 years of age and while some experience of the financial sector would be useful it is not vital.

Salary by negotiation.

Reply in confidence to:
Mr. R. A. D. Froy
MONTAGU, LOEBL, STANLEY & CO.
31 Sun Street, EC2

ASSISTANT ECONOMIST

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The conditions are first class, salary will be negotiated. Candidates should write giving brief relevant details of experience, age and present earnings to:

Group Appointments Manager,
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Touche Remnant & Co. provide investment management and secretarial services to a group of investment trust companies and pension funds. Total funds currently under management are over £500m and they are planning to increase their trained investment staff.

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Touche Ross & Co.,
Management Consultants,
4 London Wall Buildings,
London, EC2M 5UJ.
Tel: 01-588 6644.



General
Appointments
are continued
to-day on
the following
page

Phillips & Drew

INVESTMENT ANALYSTS

We wish to expand our equity research department. We would therefore like to hear from investment analysts with at least one to two years' experience in their current sectors. Successful applicants will join a corporate and economic research team with a high reputation in the City and in Industry.

Remuneration is competitive and there is scope for rapid advancement for the successful. There is a profit-sharing scheme, pension fund and other benefits. Please apply to the Staff Manager,

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(structure, development, target setting).

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GENERAL APPOINTMENTS

Drycargo Chartering Broker for Brazil

Unbrokers S.A., Rio de Janeiro, is an associated company of R.S. Platou A/S, Oslo, founded in 1975 to cover the Brazilian market for Tanker and Dry-cargo Chartering and Sale & Purchase.

Our Drycargo Chartering Manager requires relief from day-to-day activities to concentrate on longer-term projects. We are therefore looking for an experienced drycargo broker to work the local chartering market. We expect applicants to contemplate a 3/5 years stay in Brazil. Subsequent employment with other companies

within the Group available to the qualified candidate. Prior knowledge of Portuguese definitely an advantage but no necessity, although candidate is expected to acquire working knowledge during first year of employment.

Please call or write:
Mr. Michael Behrendt, Unbrokers S.A., 190 Rua da Gloria, Grupo 302, Rio de Janeiro, Brazil, telephone 225-5667, or Mr. S. Hensrud, R.S. Platou A/S, P.O.B. 1857 - Vikta, Oslo 1, Norway, telephone 11 30 40.



INTERNATIONAL BANKING

£3,000 — £5,000

A number of the more progressive City International Banks now offer some really good career opportunities to young people who already have some experience in the field.

FOR FOREIGN EXCHANGE ACCOUNTS
CREDIT ANALYSIS
... and who are keen to learn a lot more.

To discuss these possibilities in detail Telephone John Chivers, A.I.S. 01-495 7711
DAVID WHITE ASSOCIATES LTD.

PORTFOLIO MANAGER/ EUROBOND TRADER

Experienced in USA, European and Far Eastern markets, also Eurobonds, required for London based investment company. Excellent opportunity. Write Box A.5788, Financial Times, 10, Cannon Street, EC4P 4BY.

CREDIT ANALYST, 35-45, very experienced in either Banking or Accountancy. Excellent salary plus mortgage scheme. Telephone 01-495 7711.

WANTED: EXPERIENCED SALES AND DOCUMENTATION ASSISTANT with knowledge of many, Java Goods above all others. Must have 5 years experience in Selling and Buying Java Goods and have knowledge of processing export documents. Knowledge of Social Marketing essential. Age 25 to 45 years. Salary negotiable. Write to: David White Associates Ltd., 10, Cannon Street, EC4P 4BY.

CONTRACTS AND TENDERS

International Pre-Qualification to Tender for Major Expansion of an Existing Bearing Plant

BRASOV BEARING Co. of Romania is implementing a major expansion in all its Ball and Roller Bearing Lines to be completed by 1978-1981. There will be equipment required for all phases of bearing manufacture from initial forging of the components to finish grind, inspection and assembly. Major categories of equipment and other items specifically required:

- 1—Forge shop equipment (continuous automatically hot forging process complete with induction heating, ring rolling equipment).
- 2—Turning equipment consisting of multiple spindle, single spindle, and N.C. lathes.
- 3—Grinding equipment consisting of: single and double faces grinders, O.D. centreless grinders, internal and external race grinding machines and honing machines.
- 4—Quality control: in-process and post-process automatic gauges, manual inspection gauge and equipment.
- 5—Assembly: continuous automatic assembly line for all components including in-process inspection between operations.
- 6—Heating equipment: ball and roller heating equipment.
- 7—Heat treatment: furnaces for H.T. major bearing component.
- 8—Power presses: single stroke inclinable presses, straight side presses and progressive transfer presses.
- 9—Material handling equipment: continuous integrated race manufacture lines, bulk handling equipment such as fork lift trucks, pallet trucks and gravity and powered conveyors.
- 10—Technological utilities: centralised cooling and washing system, chips handling system including crushers, wringer and conveyors, environmental processing systems for neutralisation of effluents.
- 11—Maintenance and tool shops: equipment such as: co-ordinated grinding machines, grinding machines, milling machines.
- 12—Laboratory equipment: High precision measuring equipment, physical testing equipment, chemical analysis equipment related with manufacture.
- 13—Ball grinding and lapping equipment.
- 14—Electric and electronic equipment, power distribution control equipment.
- 15—Spare parts for all of above.

An application has been submitted to the International Bank for Reconstruction and Development for a major portion of the foreign exchange requirements of the project. Discussions with the Bank are at an advanced stage.

It is expected that any remaining portion of foreign exchange requirements not covered by IBRD financing, will be met by the Government of the Socialist Republic of Romania.

Firms which would be interested in tendering for any part of the project should register by letter, cable or telex to:

UZINEXPORTIMPORT
Address: 133, Victoria Road, Sector 1
Bucharest, Romania.
Telex: 011.214

showing their interest in supplying goods/services to the project indicating for type(s) of machinery, equipment/services they are registering.

All responses should be written to UZINEXPORTIMPORT, in English, and should be received in Bucharest by March 1, 1977, giving specific information on (i) prior experience in manufacturing similar equipment, (ii) list of deliveries of similar equipment during last two years, (iii) 50-cycle and metric system capability, (iv) financial status, (v) past sales levels, (vi) engineering and manufacturing capacity, a.s.o.

UZINEXPORTIMPORT will use this information and if necessary request companies which so register to provide further data to establish which companies will be pre-qualified to tender.

Financial Public Relations

Streets Financial Limited, a leading City financial advertising and public relations agency, is seeking a public relations executive.

Experience in public relations is not vital, but knowledge of the City is. The sort of person we have in mind will probably be in his or her late twenties, working in a merchant bank or with a stockbroker.

The successful candidate will be joining a happy and enthusiastic team working on a wide variety of accounts extending from leading City institutions to commercial and manufacturing companies. The life is varied, busy and interesting. The ability to get on with people is essential.

The salary will be attractive and the future very bright for the right applicant.

Applications to the PR Director, Streets Financial Limited, 62 Wilson Street, Finsbury Square, London EC2A 2BU.

Streets Financial Limited

Examine your career for the Q.D. factor.
Q.D. stands for Quiet Desperation. It is the nagging conviction that all is not well—perhaps in terms of lack of real job satisfaction... of insufficient progress... of disharmony in personal relationships. Or all three.

Our experience in working with executive and professional people demonstrates that one need not live in the unhappy company of Q.D.

For an assessment (without cost or obligation) of how we can be helpful in your situation, phone or write today for a meeting with one of our professional Career Advisers.

FREDERICK CHUSID & COMPANY LTD.
Consultants in Executive Evaluation and Career Advancement.
London: 35 Fitzroy Street, W.1. Phone 01-637 2298
Paris: 6 Rue de Berri 75008. Phone 225-3180
We are not an Employment Agency.

L. MESSEL & CO.
Breweries

An analyst is required to complete the small specialist team working in this area, where we are already acknowledged experts. The candidate should be an experienced analyst and direct knowledge of, and contacts, in the brewing industry would be a considerable advantage.

The level of remuneration will be fully competitive for the right candidate.

Write or telephone David Oswald, L. Messel & Co., P.O. Box No. 521, Winchester House, 100 Old Broad Street, London EC2P 2HX. Tel. No. 01-606 4411.

APPOINTMENTS WANTED

QUALITY EXECUTIVES AVAILABLE

The following is a selection of Executives seeking new appointments. All have been interviewed and psychometrically tested and possess high technical/professional and personal qualities.

ACA ACMA ACS (No 1) Aged 33. Financial Director Industry and Commerce, good French, £12,000. **MA M Sc Eng. FI. FROD E Aged 39.** Dir. of Manufacture medium to Big Mkt Mech E 20m. in Finance heavy engineering. £13,000/15,000. **Aged 38.** Managing Director; mining and engineering some experience in Africa. £12,000.

Aged 37. Managing Director fast growing consumer goods French. £13,000/15,000.

Aged 48. Marketing & Planning Dir. engineering and consumer products. experience Africa. £12,000.

ACA Aged 47. Chief Accountant; life assurance and finance houses. £15,000.

HMC Mech & Elec Aged 48. Div. Genl. Manager; highly technical electrical equipment. £10,000.

EC Mech Aged 33. Director of Development; engineering and consumer goods. £9,000.

ACA Aged 37. Deputy Financial Accountant; electronics and consumer products. £6,100.

Without obligation, further details of these and additional candidates may be obtained by contacting Arthur Mullineux MPE, TD, FMC, FRSA, Reckwell Management Search, 81-86 Baker Street, London W1M 0L. Tel: 01-487 5761. All enquiries will be treated in strict confidence.

HOW YOU CAN MAKE A PROFIT OUT OF HIRING A MAN OF 52

been doing up to now. What are his talents? What are his weaknesses? If you make tangible, attractive things for people to use in their homes and daily lives, it's like to work for you. I've had 12 years in a company where turnover exceeds £120,000,000, preceded by seven years in a leading London advertising agency.

Please write for full details of who I am and exactly what I've worked. Write Box E.9791, Financial Times, 10, Cannon Street, EC4P 4BY.

PUBLIC NOTICES

BROUGH OF LUTON
£1.1m. Bills issued 5.7.77. Date 6.4.77 at 10% (incl. 2.5% discount) £15.1m.

CITY OF MANCHESTER BILLS
amounting to £2m. were issued on 5th January 1977. The total amount applied for was £2,750,000 and 83% of this was subscribed. The balance of £475,000 will be issued in 15% bills.

REYNOLDS CITY COUNCIL
£2,300,000 bills issued on 5th April 1977. The bills were issued on 5th January 1977 at 10%. Applications totaling £15.9m. and these are the only bills outstanding.

REYNOLDS CITY COUNCIL
£2,300,000 bills issued 5th January 1977 at 10%. Applications totaling £15.9m. and these are the only bills outstanding.

COMPANY NOTICES

UNION CORPORATION GROUP
ANNUAL GENERAL MEETINGS

The Annual General Meetings of the undermentioned Companies (all of which are incorporated in the Republic of South Africa) will be held at the Corporation Building 74/78 Marshall Street, Johannesburg, on the dates and times mentioned below—

Name of Company	Date and Time of Meeting	Transfer Books Closed to
United Gold Mines Limited	Thursday 27th January 1977 at 9.30 a.m.	24th Jan. 27th Jan.
St. Helena Gold Mines Limited	Thursday 27th January 1977 at 10.15 a.m.	24th Jan. 27th Jan.
Kinross Mines Limited	Friday 28th January 1977 at 9.30 a.m.	24th Jan. 28th Jan.
Witwatersrand Mines Limited	Friday 28th January 1977 at 10.15 a.m.	24th Jan. 28th Jan.
Leslie Gold Mines Limited	Friday 28th January 1977 at 11.00 a.m.	24th Jan. 28th Jan.
Brachon Mines Limited	Friday 28th January 1977 at 11.45 a.m.	24th Jan. 28th Jan.

per UNION CORPORATION (P.A.) LIMITED
L. W. Humphries,
London Secretaries,
Princes House,
95 Gresham Street,
London, EC2V 7BS.
6th January, 1977.

GOLD FIELDS GROUP

DECLARATION OF DIVIDENDS—UNITED KINGDOM CURRENCY EQUIVALENTS

In accordance with the provisions of the Companies Act, 1947, the following amounts of dividends are payable to the holders of the shares of the companies mentioned below, as at the date of the declaration of dividends, on the basis of the rate of exchange of the South African Rand to the United Kingdom currency as at 4 January 1977 as advised by the Companies' South African Agents.

The United Kingdom currency equivalents of the dividends are therefore as follows—

Name of Company	Dividend per share	Amount
De Beers Consolidated Mines Limited	40	3,387,440
East Driefontein Gold Mining Company Limited	25	25,000,000
West Driefontein Gold Mining Company Limited	14	10,192,440
United Gold Mines Company Limited	82	3,367,840
East Driefontein Gold Mining Company Limited	62	3,387,440
West Driefontein Gold Mining Company Limited	48	90,220,720

By order of the boards,
C. E. H. GIBSON,
Joint London Secretaries.

THE INVESTMENT TRUST LIMITED

NOTICE TO HOLDERS OF PREFERENCE SHARES

With reference to the notice to holders of preference shares and the dividend warrants to be issued in respect of the dividend on the 24th December 1976, the following information is being given for the convenience of holders of preference shares of the company.

(i) The dividend on the 24th December 1976 was £1,000,000 and the dividend warrants to be issued in respect of the dividend on the 24th December 1976 will be £1,000,000.

(ii) The dividend on the 24th December 1976 was £1,000,000 and the dividend warrants to be issued in respect of the dividend on the 24th December 1976 will be £1,000,000.

BOND DRIVING

CHILEAN 5% LOAN OF 1911
for £4,900,000 nominal capital

Notice is hereby given that a Draftnote of Bonds of the above loan book place of 20th December 1976, attended by Mr. Keith Francis Crut Baker of the firm of John Veitch & Co., Notary Public, whose the following bonds were drawn for redemption on 24th January 1977, from which date all interest thereon will cease.

2 Bonds of £1,000 nominal capital each—Numbers 90241 90465

7 Bonds of £500 nominal capital each—Numbers 85148 85454 85659 85704 85191 84324 86396

134 Bonds of £100 nominal capital each—Numbers

60206	60207	60208	60209	60210	60211	60212	60213	60214	60215	60216	60217	60218	60219	60220	60221	60222	60223	60224	60225	60226	60227	60228	60229	60230	60231	60232	60233	60234	60235	60236	60237	60238	60239	60240	60241	60242	60243	60244	60245	60246	60247	60248	60249	60250	60251	60252	60253	60254	60255	60256	60257	60258	60259	60260	60261	60262	60263	60264	60265	60266	60267	60268	60269	60270	60271	60272	60273	60274	60275	60276	60277	60278	60279	60280	60281	60282	60283	60284	60285	60286	60287	60288	60289	60290	60291	60292	60293	60294	60295	60296	60297	60298	60299	60300	60301	60302	60303	60304	60305	60306	60307	60308	60309	60310	60311	60312	60313	60314	60315	60316	60317	60318	60319	60320	60321	60322	60323	60324	60325	60326	60327	60328	60329	60330	60331	60332	60333	60334	60335	60336	60337	60338	60339	60340	60341	60342	60343	60344	60345	60346	60347	60348	60349	60350	60351	60352	60353	60354	60355	60356	60357	60358	60359	60360	60361	60362	60363	60364	60365	60366	60367	60368	60369	60370	60371	60372	60373	60374	60375	60376	60377	60378	60379	60380	60381	60382	60383	60384	60385	60386	60387	60388	60389	60390	60391	60392	60393	60394	60395	60396	60397	60398	60399	60400	60401	60402	60403	60404	60405	60406	60407	60408	60409	60410	60411	60412	60413	60414	60415	60416	60417	60418	60419	60420	60421	60422	60423	60424	60425	60426	60427	60428	60429	60430	60431	60432	60433	60434	60435	60436	60437	60438	60439	60440	60441	60442	60443	60444	60445	60446	60447	60448	60449	60450	60451	60452	60453	60454	60455	60456	60457	60458	60459	60460	60461	60462	60463	60464	60465	60466	60467	60468	60469	60470	60471	60472	60473	60474	60475	60476	60477	60478	60479	60480	60481	60482	60483	60484	60485	60486	60487	60488	60489	60490	60491	60492	60493	60494	60495	60496	60497	60498	60499	60500	60501	60502	60503	60504	60505	60506	60507	60508	60509	60510	60511	60512	60513	60514	60515	60516	60517	60518	60519	60520	60521	60522	60523	60524	60525	60526	60527	60528	60529	60530	60531	60532	60533	60534	60535	60536	60537	60538	60539	60540	60541	60542	60543	60544	60545	60546	60547	60548	60549	60550	60551	60552	60553	60554	60555	60556	60557	60558	60559	60560	60561	60562	60563	60564	60565	60566	60567	60568	60569	60570	60571	60572	60573	60574	60575	60576	60577	60578	60579	60580	60581	60582	60583	60584	60585	60586	60587	60588	60589	60590	60591	60592	60593	60594	60595	60596	60597	60598	60599	60600	60601	60602	60603	60604	60605	60606	60607	60608	60609	60610	60611	60612	60613	60614	60615	60616	60617	60618	60619	60620	60621	60622	60623	60624	60625	60626	60627	60628	60629	60630	60631	60632	60633	60634	60635	60636	60637	60638	60639	60640	60641	60642	60643	60644	60645	60646	60647	60648	60649	60650	60651	60652	60653	60654	60655	60656	60657	60658	60659	60660	60661	60662	60663	60664	60665	60666	60667	60668	60669	60670	60671	60672	60673	60674	60675	60676	60677	60678	60679	60680	60681	60682	60683	60684	60685	60686	60687	60688	60689	60690	60691	60692	60693	60694	60695	60696	60697	60698	60699	60700	60701	60702	60703	60704	60705	60706	60707	60708	60709	60710	60711	60712	60713	60714	60715	60716	60717	60718	60719	60720	60721	60722	60723	60724	60725	60726	60727	60728	60729	60730	60731	60732	60733	60734	60735	60736	60737	60738	60739	60740	60741	60742	60743	60744	60745	60746	60747	60748	60749	60750	60751	60752	60753	60754	60755	60756	60757	60758	60759	60760	60761	60762	60763	60764	60765	60766	60767	60768	60769	60770	60771	60772	60773	60774	60775	60776	60777	60778	60779	60780	60781	60782	60783	60784	60785	60786	60787	60788	60789	60790	60791	60792	60793	60794	60795	60796	60797	60798	60799	60800	60801	60802	60803	60804	60805	60806	60807	60808	60809	60810	60811	60812	60813	60814	60815	60816	60817	60818	60819	60820	60821	60822	60823	60824	60825	60826	60827	60828	60829	60830	60831	60832	60833	60834	60835	60836	60837	60838	60839	60840	60841	60
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The Technical Page

EDITED BY ARTHUR BERNETT AND TED SCHOETERS

POWER

Use of windmills urged

AMONG THE sources of free energy which surround us, but which so far have not been tapped on more than a microscopic scale, only wave power has aroused any enthusiasm from those Government bodies which control research and development purse strings.

Yet wave power probably will be the most difficult of all sources to tap successfully and it already appears that costs of such stations—particularly if they have to be built in quartermile long arrays in the stormiest waters around the coasts of Britain—could be very high.

Windmills were used extensively over most of western Europe in the period prior to and during the introduction of steam power for many tasks from pumping out fenlands to grinding corn. It seems difficult to arouse any enthusiasm, at least in Britain, for this form of power generation although the cost figures a priori seem attractive. Sweden, Denmark, Holland and the U.S. are convinced. A case can be put forward for a per kW installed capital equipment cost of just over £250, against oil stations at £150 to £200 and nuclear from £220 to £375. However, this case predicated "cells" of 200kW built on a mass-production basis and average wind speeds of 25 mph.

Assumption of such high average wind speeds clearly limits the areas where the windmills can be installed to high mountain country or coastal areas.

Now, the designer of an interesting new form of windmill

which presents marked advantages over the horizontal axis types as well as the "egg-whisk" types, Dr. P. J. Musgrove of Reading University, has put forward the suggestion that banks of windmills could be sited in shallow waters around the coast, where there is ample wind power during most of the year and no danger to shipping.

They would be built in waters less than 20 metres deep in the southern half of the North Sea, that is in proximity to the most power-hungry areas of Britain.

In the paper he is to read to a symposium on "Potential Power" at Southampton today, organised by the Institute of Fuel, he also suggests that the energy produced by driving the wind vanes could be stored in the form of compressed air in the natural gas strata under the southern North Sea as these become depleted.

This would allow the wind energy system to supply power on demand, even during days of flat calm and, he estimates, would make it a far more attractive proposition than nuclear power since wind/storage can be calculated to cost just over £500 per kW.

The latest figure for a nuclear power plant ordered in the U.S. is that for a 2,400 MW station in New York State which cost \$3.2bn, or £500 per kW installed, presumably with the first fuel charge, but without the storage concept implicit in the windmill projections.

Dr. Musgrove points out that in the most energetic areas of the sea around Britain—such as at Station India 700 km west of

the Hebrides—annual average wave power is 77 kW/metre. But the cost of laying submarine cables over distances of much more than 100 km offshore becomes prohibitive. The inference is that there is no strong case for pursuing wave rather than wind power developments.

He proposes the establishment of a 10 km square array of mills in lines 1 km apart to capture a total wind power flux of 3,400MW which, with the 33 per cent efficiency of the windmill, would give a power output of 1 gigawatt or 4 per cent of total U.K. power demand. They could be located off the Humber where wind speeds would be satisfactory and would undoubtedly need to be based on the variable geometry windmill pioneered by his Reading group and now patented world wide by the NRDC. This design has simple vertical blades attached to a central axis in such a way that wind speed is automatically allowed for.

All this may sound futuristic and harnessed to the need to exploit the existing power distribution networks of the future. But it does take account of the fact that environmental lobbies in the U.S. and elsewhere are gaining strength and placing serious obstacles to further development of nuclear power installations.

It must be remembered that the U.S. grand strategy for energy plans to have 10 per cent derived from wind power by the end of the century—that is only 24 years away—and one-tenth of U.S. consumption is a vast amount.

RESEARCH

Plessey to lead ground station job

PROVISION of a ground station in Spain to receive signals from a new orbiting ultraviolet astronomical observatory has been put in the hands of a seven-company European team headed by Plessey Radar.

The project, dubbed IEU (International Ultraviolet Explorer), is sponsored jointly by the European Space Agency and NASA's Goddard Space Flight Centre.

Orbiting synchronously, the craft will have a telescope through which UV radiation from the stars and other sources can be measured accurately without the filtering effect of the Earth's atmosphere. Telemetry systems will relay data to the station near Madrid for display and analysis.

COMPONENTS

Joystick is force operated

ADVANTAGES offered by a "Joystick" operational control lever put on the market by Daco Scientific include absence of wipers and potentiometers, extremely high resolution and a very long life.

These are achieved by the use of strain gauges to measure the force applied by the operators to the top of the knob. Apart from flexing slightly the knob does not move, the operator obtaining the necessary operational "feel" by force rather than movement.

Force is applied to the faces at the bottom of the lever beyond the pivot and due to the absence of any wearing action a life of 100m operations can be expected.

Linear output enables an operator to learn quickly the characteristics of a system where he or she represents the closing element of a servo loop.

Supplied with five volts the unit produces an output of about 7 mV full scale. Mainly constructed of stainless steel, it is protected from ingress of moisture and dirt by a rubber gaiter. Overall size is 1.0 inches diameter by 2.0 inches long with a 1.25 inch flange. More from 56 Queens Road, Basingstoke, Hants. RG21 1RE (0256 25220).

OFFSHORE INDUSTRIES

Dry and wet underwater welding

EVALUATION of the performance of arc welding processes under high atmospheric pressure (464 psi), and of the properties of the resulting welded joints will be carried out by the Welding Institute under a contract, understood to be worth in the region of £1m, from the Department of Energy.

Results of the work will be confidential, and its release to industry will be at the discretion of the Marine Technology Support Unit, AERE, Harwell.

When completed, the work and repairs must be undertaken on the structural steelwork of offshore platforms, and on the pipelines and related facilities on the sea bed, much of the work can only be done effectively through the use of welding. In the North Sea, this means operating in depths down to 1,000 feet.

One of the most promising methods is using a chamber in which welding is carried out in air, but to exclude water the chamber must be pressurised with air pressure reaching 32 bar at the greatest working depth.

At the Institute's laboratories at Abington Hall, Cambridge, a hyperbaric chamber is being built in which various welding processes will be tested at pressures up to 32 bar (464 psi), equivalent to a depth of about 300 metres (1,000 feet). The processes examined will be manual metal arc, MIG, TIG and plasma.

It is understood that a further contract, worth about

Tecalemit
Maidenhead, Berks.

Fluid Transfer, Control and Filtration
Lubrication Systems
Garage Equipment
Combustion Engineering

MATERIALS

Corrosion prevention

A VINYL coating has been introduced for protecting production equipment in metal finishing and in general industry, against corrosive environments.

Air-drying to a tack-free finish in 20 minutes, it produces a glass-smooth plastic coating, stated to resist abrasion and cutting, and capable of acting as electrical insulation.

It can be applied by dipping, brushing or spraying. Applied by dipping, it requires only one to five minutes drying between coats, and only two to three coats are needed for average duty. It is said to adhere well to metals, glass, wood, masonry, fabrics and plastics.

Applications in the metal finishing industry include the coating of production jigs, funnels, spillage areas, conveyor systems, piping, hooks, insides and outsides of tanks, fume ducts, etc. It can be used to mask around areas to be plated or anodised.

The coating is made by Harshaw Chemicals, P.O. Box 1, Daventry Northants NN17 4FH (07272 2188).

DATA PROCESSING

Selling the knowhow

MOST COUNTRIES having any familiarity with data processing have long acknowledged that in Britain there are some of the most expert systems and programming men in the world. But such is the way of the civil service that these people have received little or no aid and encouragement in their efforts to sell their expertise abroad, while the lame ducks who cannot get all the support.

Arbat, which made a name for itself by putting IBM from the Kleinwort Benson merchant bank with equipment built around small DEC machines, has demonstrated that innovation in computer use pays off by taking an order worth many millions of pounds from the large Security Pacific Bank whose home town is Los Angeles.

Arbat will be intimately involved in setting up computer-based banking systems in London, New York, Brussels, Frankfurt, Los Angeles and Tokyo. The order, again with DEC machines, was won in the face of stiff competition from manufacturers of conventional large computers, which included IBM.

In the initial stages of the project, DEC PDP 11/55s will be set up in London, New York and Los Angeles while Brussels, Frankfurt and Tokyo will get 11/34s. All these machines will be linked together eventually to provide a worldwide banking network and the first section of the system will be the one in New York, designed to operate with the SWIFT international network as will be the London, Brussels and Frankfurt centres.

The package Arbat is supplying is conceived as a foreign exchange, loans and deposits and standard commercial banking jobs. Each centre will have a

number of terminals operating in real time to guide dealers, brokers and management with up to the last second details of transactions.

Cashiers at the various city branches will also have their own terminals.

At the moment, Security Pacific is using a time-sharing network in London and various manual systems in other centres.

The contract follows the successful implementation of the Chemical Bank project all over Europe and is one of a group not yet announced which will take Arbat's contract successes in the past month or so to the highest figure ever recorded by itself by putting IBM from the Kleinwort Benson merchant bank with equipment built around small DEC machines, has demonstrated that innovation in computer use pays off by taking an order worth many millions of pounds from the large Security Pacific Bank whose home town is Los Angeles.

Working against the clock to complete communications testing on a major bank customer's sites in the U.K., Germany, France, Belgium and Switzerland—using PDP11 computers and its own AIMS 11 operating system—Arbat has completed the work on schedule. This was done before the most recent one month or more slippage in the SWIFT system.

The setting up of the full banking system SWIFT type messages have successfully been transmitted to and from other banks in other countries.

Flushed with this success, Arbat has started to market the package in Europe and the U.S. under the name ASAP which stands for Arbat's Swift Accounting Package, a development of SWIFT-11. ASAP has been specified by Security Pacific.

This bank intends to go over to SWIFT in the second phase cut-over together with some 200 other banks. These users will be the prime target for the ASAP product. But, Arbat says, it is known that there are first phase users of the approved suppliers who are not satisfied with the

results achieved so far. The implication is that Arbat will seek to penetrate sites where this is the case.

ASAP is compatible with existing Arbat real-time banking systems and will allow users to transfer messages directly into the banking system, with automatic updating of Nostro accounts. Similarly, it will translate payment orders into outgoing messages for subsequent transmission over the SWIFT network.

Arbat is on 01 283 3801.

More power in Level 66

ENHANCEMENTS in the Series 66 Level 66 large-scale computer systems have been announced by Honeywell.

Processing power of models 66/10, 20, 40 and 60 have been increased by between 35 and 65 per cent, offering significant price/performance benefits. Furthermore, all models in the Level 66 series now have multi-processor ability, previously available only on the 66/20 and above.

There have been various proprietary engineering changes and "cache" memory also now available on the model 40 as well as the 60.

Honeywell also reveals that 4k MOS random access memory chips are now the standard semiconductor used in the large system main memories. Expanded memory configurations of up to 1024k words (four megabytes), depending on the system, are available with immediate effect.

The company claims to be the first to standardise 4k RAM chips through its range and states that further benefits can be expected as newer, denser chips become available. Honeywell Information Systems is at Great West Road, Brentford, Middlesex (01-568 9191).

Precision aluminium extrusions

TOLERANCES OF plus or minus 0.03 mm, and wall thicknesses down to 0.5 mm, can be held for aluminium extrusions being made by R.K.B. Precision Products, New Road, Sandy, Beds. (0767 80731).

Extrusions are formed to customers' own designs in profile lengths as short as 150 mm. Setting up charges are waived for long runs of some extrusions. The company says it can cope with designs not normally accepted by other manufacturers, and offers delivery within five weeks of the initial order.

Three types of aluminium alloy are available: AlMgSi 0.5, AlMgSi 0.8 and AlMgSi 1.

METALWORKING

Wide range centreless grinding

A HEAVY duty centreless grinding and finishing machine, which can also handle lightweight stock, has been added to the range of finishing machinery built by Moon Brothers, Beaufort Road, Birkenhead, Merseyside, L41 1HE (051-652 1527). It will finish all kinds of straight bars and tubes from 3 to 100 mm diameter.

Independent double feed rolls, which can be positioned at any distance from the machine, are used to support and feed the stock—any number of feed units can be used depending on the length of material to be processed.

To accommodate different tube and bar sizes, the height of the contact wheel and feed rolls is adjusted by simple screw sliders. This enables quick size changes to be made without the need to adjust all material feed feeds.

Feed speed is infinitely variable from zero to 10 metres/minute. The stock passes under a 150 mm wide abrasive belt.

The infinitely variable belt tension is pneumatically maintained—once set it is maintained through the life of a belt, despite stretch.

For wet working there is a 120 litre coolant tank built into the machine base, and for dry grinding dust extraction equipment can be fitted.

Two or more machines can be operated in series with the stock continuing from one machine to the next, providing a succession of different finishes from each machine.

The machine is made under licence from Hammond Machinery Builders, Incorporated of the U.S.

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Finance for Growing Companies

If you are a shareholder in an established and growing company and you, or your company, require between £50,000 and £1,000,000 for any purpose, ring David Wilks, Charterhouse Development.

Investing in medium size companies as minority shareholders has been our exclusive business for over forty years. We are prepared to consider new investments in both quoted and unquoted companies currently making over £50,000 per annum pre tax profits.

CHARTERHOUSE
Charterhouse Development, 1 Paternoster Row, St Pauls, London EC4M 7DH. Telephone 01-248 3444.

WESTERN U.S.A. CATTLE OPPORTUNITY

Partnership or Capital Investment wanted (six figure) with growth and profit as goal. Arizona feedyard, thirty thousand head capacity and all equipment, personnel and management. Seven years' past performance shows profit. U.S. Department of Agriculture predicts higher cattle market for 1977. Lifetime Arizona cattlemen with excellent reputation and financial stability.

Write or call:
W. E. Evans, President
Scottsdale Feedyard Inc.
2120 Hawthorne Trail
Lakeland, Florida, U.S.A. 33803
813/682-0801

WANTED

Public company wishes to acquire house building companies in England, North of the Thames, building and selling approximately 250 to 300 units per annum.

Details please in the strictest confidence to:
Box E.8636, Financial Times,
10, Cannon Street, EC4P 4BY.

LLOYDS BROKERS

Australian Insurance Broker will be in London (Savoy) approx. Jan. 24th to 31st wishing to discuss local representation or association in Australia with Lloyds Broking House.

Please reply by January 20th to INSURANCE INTERNATIONAL, P.O. Sydney 2001 Australia.

EAST MIDLANDS BASED ENGINEERING COMPANY

Manufacturing capital machinery is seeking diversification. Interested in discussing with potential vendors, possible licensing of proven capital plant and machinery or in acquiring control of a company involved in this field, preferably with strong marketing and design facilities. Unutilized funds are available.

Particulars only to the Managing Director, Box E.9212, Financial Times, 10, Cannon Street, EC4P 4BY, marked Private and Confidential.

LIMITED COMPANY FORMED BY EXPERTS FOR 05 READY MADE 200 COMPANY SEARCHES EXPRESS CO. REGISTRATIONS LTD.

01-228 5424/15/34/9936

FOR SALE with good potential ESTATES OFFICE AND SHOP UNIT

Long established in City Centre of Midlands town. Lease Goodwill. Fixtures and Fittings. £8,500. Principals only should write to Box E.9205, Financial Times, 10, Cannon Street, EC4P 4BY.

INTERNATIONAL BIDDING

Merlin S/A - Industria E Comercio de Oleos Vegetais foreseeing the expansion of its industrial unit located in Porto Alegre (Rio Grande Do Sul) is interested in acquiring machines and equipment for the extraction of vegetable oils.

The purpose of this communication is to invite interested parties to present their proposals in writing to the following address:
RUA MARQUES DE ITU, 58th Floor, Conj. 7-A, Sao Paulo, Brazil

BOAT YARDS, MARINAS, CHANDLERS, ETC.

Ample funds available on behalf of clients to acquire majority shareholding in efficiently run companies, existing management to remain, where injection of working capital necessary. Must be situated on the South Coast, West of Solent.

Mann Judd (Ref. RAH) 127, Hagley Road, Birmingham B16 8LD

MARKETING IN U.S.A.

Group of well-established U.S. companies with close U.K. and world-wide links can provide comprehensive services to British exporters to the U.S.A.

Marketing planning; market research; appointment and supervision of agents; management of subsidiaries.

Telephone Michael Moffatt on 01-930 0871 or write to him c/o EMS (G.B.), 50 Pall Mall, London S.W.1.

YOUR SWISS OFFICE IN ZURICH

Your perfect business address:
• Full domiciliation at highly advantageous conditions
• Accommodation facilities with mailbox, phone and telex
• Cable messages, orders taken and forwarded
• Absolute confidence assured.

Ask for detailed information INTERNATIONAL OFFICE SERVICES
42 Renweg, CH-8001 Zurich
Tel.: 01-27 29 15 Telex 55 656

STOCKBROKERS

Partner with private client investment business, wishes to join friendly firm having good research capability.

Write Box E.9213, Financial Times, 10, Cannon Street, EC4P 4BY.

NEW SERVICE automotive linked - available for licence agreement

Write Box E.9207, Financial Times, 10, Cannon Street, EC4P 4BY.

PLANT AND MACHINERY

CHOICE OF 60 USED FORK LIFT TRUCKS (average in manufacturer's condition). Desirable for hire or purchase. Large reduction on full price. 1,000 lbs to 11,000 lbs. 1962 and 1963 models. Write to Box E.9208, Financial Times, 10, Cannon Street, EC4P 4BY.

LIGHT ENGINEERING COMPANY WANTED

We are searching for the right kind of acquisition to maintain our company's growth rate, ideally engineering based with between 1 million and 2 million pounds turnover. Our special interests are in lighting, and automotive accessories but any company in the light electrical, mechanical or electronic fields could be of interest. Profitability is important.

All replies will be dealt with seriously, promptly and confidentially hence no box numbers.

Please contact M. T. Dawson,
FISHER-KARPAK HOLDINGS LIMITED,
Brearley Works, Luddenfoot, Halifax HX2 6JB
Telephone: 042 283-2711

UK DISTRIBUTORS REQUIRED

For a handlans concrete mixer, 3/2 cubic feet capacity and for a range of heavy duty vehicle servicing and loading ramps. Ideally suited to established sales networks in the building or transport equipment markets.

Write Box E.9210, Financial Times,
10, Cannon Street, EC4P 4BY.

MERCHANTING OR SERVICE COMPANY REQUIRED

Overseas interests require a Company, which is not involved in Manufacturing, preferably operating in London or the Home Counties, as a base for their future expansion in the U.K. Initial investment up to £100,000 and prepared to consider a minority stake. Keen to retain existing management.

Write Box No. K779, Walter Judd Limited,
1a Bow Lane, London EC4M 3EJ.

PRIVATE WEST COMPANY ENGINEERING COMPANY

employing approximately 20 skilled mechanics and fitters, undertaking quality work in fields of special machine building, general machining and assembly of pumps and valves seeks advice for expansion by way of merger, trading partnership or takeover. Good premises and equipment.

Principals please contact:
Trinfield Williams & Partners,
5 Marsh Street, Bristol BS1 4TH
Tel. (0272) 297971

MAJOR INTERNATIONAL GROUP

wishes to buy London commodity broker with full memberships in Cocoa and Coffee, up to £2,000,000 available for such a purchase.

Reply to:
P.O. Box 258, CH-8027 Zurich, Switzerland.

FINANCIAL DIRECTOR

required to inject loan capital into Fyde Coast property investment situation. Interest and equity participation.

LYONS HEARIN & CO.,
Sawyers 71/74 Tavock St.,
Bristol Tel. 24658

STAFFING PROBLEMS?

10-200 Employees
City based consultancy specialises in giving advice on all matters and legislation to do with employment—hiring, contracts and conditions of employment, job specs, redundancies etc.

Consultants:
OSB Consultants,
17 Holywell Row, EC2
01-247 7213/8274

PRESTIGE CARS WANTED

Open 7 days a week
offer low mileage prestige motor-cars for sale. Porsche, Ferrari, Lotus-Rover, Mercedes, Daimler, Jaguar, Vauxhall, Bentley, Rolls Royce, Bentley, Land Rover, Range Rover, Rover, etc.

Collectors anywhere in U.K. Cash or Bankers' draft available. Telephone us for a free price or our buyer will call.

ROMANS OF WORKING LTD.
Brookwood (04867) 2261

ISLE OF MAN COMPANY

Opportunity to acquire an established manufacturing concern with profitable property and retail outlet turnover in the region of £70,000 for further purchase of the business and the advantages of having a business in the island, write in confidence to P.O. Box 10, Douglas, Isle of Man.

STAFFING PROBLEMS?

10-200 Employees
City based consultancy specialises in giving advice on all matters and legislation to do with employment—hiring, contracts and conditions of employment, job specs, redundancies etc.

Consultants:
OSB Consultants,
17 Holywell Row, EC2
01-247 7213/8274

Handwritten signature or note at the bottom of the page.

The Marketing Scene

Blues by summer How housewives shop

BY ANTONY THORNCROFT, MARKETING EDITOR

ALTHOUGH many of the big packaged goods companies are planning to spend more on advertising over the next few months while they still have the cash resources to do so, the general marketing feel for 1977 is one of depression. The main cause of gloom is the fact that for the first time, the mass of C2 consumers will be suffering from falling real incomes.

As Peter Hood of the Sales Promotion Triangle, which works for grocery companies like Cadbury Typhoo, Golden Wonder, Johnson and Johnson, and Unigate, points out, the disciplines of a reduced purse will make it harder for manufacturers to maintain profit margins by raising prices, as they have in the past two years.

We could be back to a 1974 situation, with companies choosing to maintain the long-term survival of a brand or short-term promotions to reach sales targets. Many of the promotions will be linked to price offers, and coupons are likely to maintain their recent growth in popularity, while there is still money around. By the summer the marketing budgets could be aimed on a month-by-month basis.

This should mean work for the sales promotion companies, who have had a busy 1976, as they make new converts to the power of promotions. However Alan Toop of the Sales Machine, like Peter Hood, sees some return to old style, bright idea, promotions, not linked to price. His company is working on the Honey Monster for Sugar Puffs, to the extent that the monster, and manufacturer, Quaker Oats, is now appearing in the Palladium pantomime. Companies may look more to their promotional advisers for ideas on how to boost sales, and although the price angle is the most obvious solution, it may not always be the best.

THERE is a great deal of information on the distribution of brands through stores (thanks to Nielsen), and just as much on what the housewife actually buys (AGB comes in here), but the more probing questions on why shoppers choose particular brands, and the extent of spontaneous acquisition in-store, are rarely asked, perhaps because they are qualitative questions and not easily dealt with by a computer.

Business Decisions did well last year with a survey commissioned by Marketing Magazine, on "How Housewives Really Shop", which attempted to monitor the customers behaviour inside a grocery store. The same two companies are now publishing a follow-up report "The Shopping Expedition", which attempts to link the housewives' planned purchases, with what they actually acquired on a shopping trip. It is available at £20.

A representative group of housewives, both working and non-working wives, with and without children, were covered, and the most interesting information came through their quotes, which show how important the human, as opposed to the economic arguments, are in marketing. As one youngish, CL non-working, shopper put it "I've been going to the Co-Op every Thursday at 11 o'clock for so long I suddenly realised that I kept seeing the same people... no, we'd never talk to one another just see the same faces at the same time... so I changed to Friday, and I'll probably change again soon". This must be worrying news for the Co-Op.

Fresh
The psychological problems of corner shops are revealed in a couple of remarks. "Because so many people use Sainsbury's the goods must be fresh... I'm always a little doubtful about the stuff in corner shops," and again "The local shop's great. It opens at 7 in the morning and the closes at 9 at night... it's even open almost as long on Sunday. I don't use it that often, but it's nice to know it's there."



Tony Kuk

The great problem of the last two years for marketing companies is that workers (in employment) have managed to keep ahead of inflation, but they have not been passing on their pay increases to their wives. As one says, "I haven't had a rise in two years. I drop hints every so often when the going gets tough, but there's no point asking for more." Another husband sounds more pig like. "He says it's my problem. He looks around for the cheapest petrol, he says he drinks less and smokes smaller cigarettes. His money stretches, therefore mine must, too."

Sometimes the housewives difficulties are of their own making. For example, the research revealed that very few shoppers made lists. "Lists are a waste of time—whatever sticks to them? I simply look around the shelves and I mean you usually know roughly what you want." Another headache is the presence of children "kids are a real nuisance. I reckon they put 50 pence each on my bill when I have to take them."

On the whole husbands are also regarded as a liability. "He comes along about once a month. We always end up with things we don't want or don't like. The last time he came we started wine making, the time before that we bought a lot of beer (we've still got it); the time before that some expensive pickles (we've never opened because he went off them); and before that some funny sauces for a foreign dish he fancied. It's cheaper to leave him behind."

A great cause of complaint was the waiting at checkouts although most shoppers were philosophical. Research suggests that the weekly shop in a busy supermarket takes 45 minutes, but passing through the check outs could add 15 minutes more. The survey suggested that most housewives, especially non-working ones, spend just as much as they expected on a shopping trip. Working wives more frequently spent more, but could usually justify the extravagance.

One finding from the study was that many housewives shop in their local supermarket in an almost automatic fashion. They followed a set route, and picked items from the shelves instinctively. They very much disliked the idea of the stores changing the lay-out. Perhaps the most useful fall-out from interviews with shoppers is their reactions to the type of store they prefer, and, of course, they liked a store which reflected their own character—which is a big vote for variety. Some liked friendly chaos; others clinical efficiency. No chain seemed capable of satisfying all the sample, and price by itself is not a sufficient incentive to make a housewife switch her loyalties.

Conclusion

From the mass of quotes Business Decisions derived some broad conclusions, most of which are predictable. Shopping for groceries is a weekly event, with "topping up" the week following a supermarket as the core of the weekly shop, with an indication that housewives now prefer to keep Saturday free for their families, and are switching to late evening shopping on Thursdays and Fridays. Working wives find shopping a chore while non-working wives consider it an event.

Although housewives believed that prices varied from supermarket to supermarket few were prepared to shop around for bargains. They also tended to shop on a replacement basis, replenishing those items consumed since the last shop. Inside the store housewives tended to buy goods that by tradition and intention they claimed to buy elsewhere. Products like meat, bread and vegetables, were acquired for convenience in the supermarket rather than as planned, at specialist local shops.

Special offers fell into three categories. First, markets where there is always a brand on offer, such as the toothpaste sector. In this area housewives waited until they needed a new supply since there was no need to hurry and there is limited brand loyalty. Then markets, such as petfood, where the favoured brand might only occasionally be on offer and the housewife buys as much as possible. Finally there are the markets, such as biscuits, cakes and chocolate, where the shopper finds it hard to resist a tempting bargain.

Housewives viewed their children and husbands as liabilities, making demands on their shopping skills, rather than allies. Husbands are often falling to pass on pay rises, and wives are forced to adopt balancing tricks with their budgets to maintain shopping standards. Working wives are much better placed here. Finally shoppers are aware of the psychological placing of confectionery displays by check-outs, but think they have made a discovery when similar lay outs are adopted in other parts of the store.

Yet another director is leaving Browns—Tony Holman is joining former Bates colleague Leon Lerner at Leon Lerner and Partners. Lerner, who set up his own agency a year ago, is forecasting billings of £4m. in 1977. Main accounts are the Sun and News of the World; Williams Furniture; and Etam.

Two new directors at AGB are Jerry Cannan and Christopher Snow.

Roy Martin, promotions director at MS Surveys and Promotions Services, the Osborne-below-the-line company which produces the annual survey on promotional activity, is setting up his own company, specialising in grocery markets.

TV COSTS

Many advertisers pay too much

BY BOB JONES, MEDIA AUDIT

THE Great ITV Rating Drought of recent months has left many television advertisers feeling that they are paying for audiences they are not getting. Not surprisingly the television companies are past in the role of villains. While the Incorporated Society of British Advertisers and the Institute of Practitioners in Advertising take on the task of detection and retribution, individual marketing directors, seeing costs looming towards 300p per thousand housewives in London, may feel that time and money are slipping away from them. What can they do to safeguard their company's position?

On the evidence of the Cost Rating Index, quite a lot, for the cost increases are by no means spread evenly over all advertisers. Here are five questions the wise advertiser might be asking himself together with some practical observations based on evidence from the Cost Rating Index.

1. Where does your company stand in the Television Cost League?

The serious decline in ratings, combined with continued high demand for air time, has meant that the differential in cost between some advertisers and others has increased alarmingly. This is a natural result of the availability of fewer good value breaks, but has meant that a buyer can only succeed by spending more and more time in refining his schedules.

Upper half

The CRI has now examined more than 30 major advertiser's buying achievements, and a typical distribution of performance is shown in the Table. Clearly those advertisers in the upper half have either been fighting a not very successful competitive battle for time, or else they have not up to now realised their buying performance was below par. On the whole it seems to have been the latter.

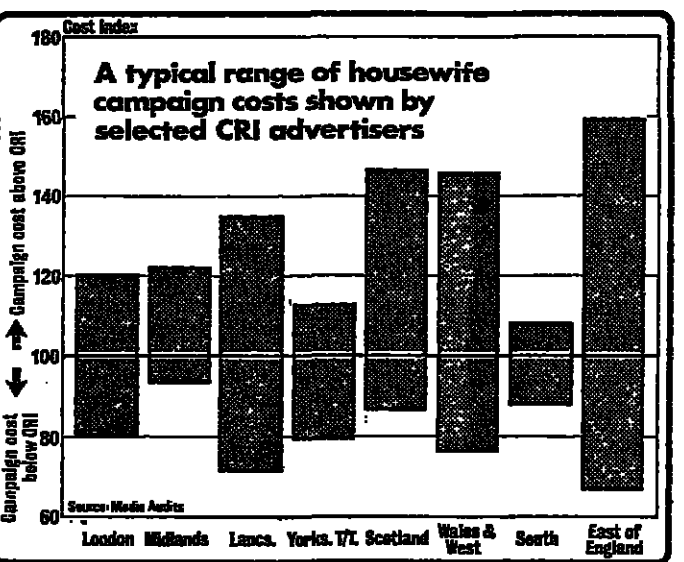
While the ranges vary from area to area each month, in this particular case the smallest variation (Southern) shows the "cheapest" advertiser paying about 20 per cent. less than the most expensive while in the widest range area (Anglia) one advertiser is paying 140 per cent. more than another!

Do you have an objective measurement against which to compare your company TV costs?

Few advertisers seem to have any realistic measure for knowing whether they are faring well

In the first few months of 1976 a number of major TV advertisers were brought together to pool information about the actual price they paid for TV time. This has become known as the Cost/Rating Index. Each subscriber retains the confidentiality of his own results but has an objective check on his own buying strengths and weaknesses against an authoritative, continuous and up to date index of similar advertisers. The CRI has thus provided a more intense and realistic study of competitive buying than has been available before. Here Media Audit, the sponsoring company, puts some of the lessons of the first few months into the context of ITV's recent rating troubles.

competitively or not. They have advertisers who do well in one been content to accept either period or area and badly in "targets" (normally set by one others. Perhaps this is not surprising, or so called "industry pricing in view of the absence averages", based on total televi- of objective monitoring in the stion monthly expenditure and past. Such advertisers have just estimates of how this breaks not known that their perform- estimates inevitably vary widely. Unfortunately the pattern of from one source to another, such erratic advertisers is



Most self-respecting television advertisers should expect to beat costs in the lower-demand real "Industry Averages" if periods but suffering badly when these were reliable. Unfortunately the market becomes really competitive and expensive. Diagnosis how misleading they can be usually complex and individual but the complaint is now a very common one. The good advertiser, who usually has a much tighter rein on his buyers, rides the relatively expensive but it is stop sticking pins in effigies of the TV Companies' Sales Directors, accept that he is in competition for the best times with every other television advertiser, and concentrate more resources on getting a better deal than other advertisers out of the competitive market as it exists.

often greater than that between agencies. On the one hand the 300 or so buyers handling nearly £300m. a year turnover, vary widely in experience, while on the other, television companies' sales policies have shifted the whole onus of cost performance to the individual buyer.

Add to this the television companies' various systems of allocating airtime to agencies to spread over their clients, and individual advertisers' wide degrees of media interest and knowledge, and it is not surprising that the variation is so wide. A blend of experience, sustained enthusiasm and, above all sufficient time constantly to improve schedules, are the ingredients of successful buying.

5. Have you overhauled your company's TV buying guidelines over the past six months? Some CRI advertisers have benefited from a questioning of the constraints they have put on time buyers in the past. In these hard times some have been found to be too restrictive; other advertisers who had none have found it helpful to establish some guidelines.

For example, the facility to quantify through the CRI, the cost penalties resulting from inability to commit money well in advance has persuaded at least one advertiser to overhaul his whole budget commitment procedure, finding it easier to force decisions when precise figures are put on the surcharges he will have to pay. Many advertisers have notional "television buying policies." Relatively few are rigorously implemented. Fewer still are questioned often enough in what is after all a highly volatile market.

All these things add up to a welcome move towards real TV accountability by more advertisers. Unhappily, too many are still only paying lip-service to television cost control. On Media Audit's evidence, companies with a history of involvement and interest in the buying of their television time can achieve 20 per cent. better value than the market. Moreover they have managed to control their cost increases this year over 1975 much more successfully than the market in general. It all suggests that the wise advertiser should stop sticking pins in effigies of the TV Companies' Sales Directors, accept that he is in competition for the best times with every other television advertiser, and concentrate more resources on getting a better deal than other advertisers out of the competitive market as it exists.

Tic Tac flipped, Seiko watches sold in no time at all, and it was a very good Christmas for Turkey on Southern

Southern Television's high proportion of ABC's, its close demographic similarity with London, and its special rates make it a leading Test Market area. Recent big successes include Birds Eye Cheesecake, 4-wheel drive Bobcat, Elbeo Hosiery, Tic Tac Mints, Buxted Foods, Ramsbury Building Society, Seiko Watches and the Turkish Tourist Office.

It pays to Test Market with Southern.

SOUTHERN TELEVISION

For further information contact Brian Henry, Marketing & Sales Director, Southern Television Limited, Glen House, Stag Place, London SW1E 5AX. Telephone: 01-834 4404.

MARKETING APPOINTMENTS

Non-Food Marketing into the 80's Challenge and opportunity for a marketing planning professional

c. £6,000 p.a.

The CWS, employing about 30,000 people, is one of Britain's biggest businesses with an annual turnover in excess of £1,000 million. £200 million of this is generated by one Non-Food Division which has substantial manufacturing and wholesaling interests, principally in household durables, clothing, footwear and textiles. As part of a major re-appraisal of our trading strategies we are extending the marketing function of Non-Food Division and we have an opening for a highly professional and able Marketing Planning Manager to join the team.

Reporting directly to the Non-Food Marketing Manager, your responsibilities will cover market identification, price information and sales planning and will include the commission of research from our Market Research function. The successful man or woman, educated to degree level in economics, should be able to demonstrate a practical knowledge of statistical planning and should currently hold a responsible

position in a consumer oriented environment—ideally within a large non-food multiple retailing organisation.

The Marketing Planning Manager will assist in planning the development of total Co-op Non-Food trade into the 1980's, with emphasis on fashions, men's wear and footwear, and so knowledge of these product areas is essential.

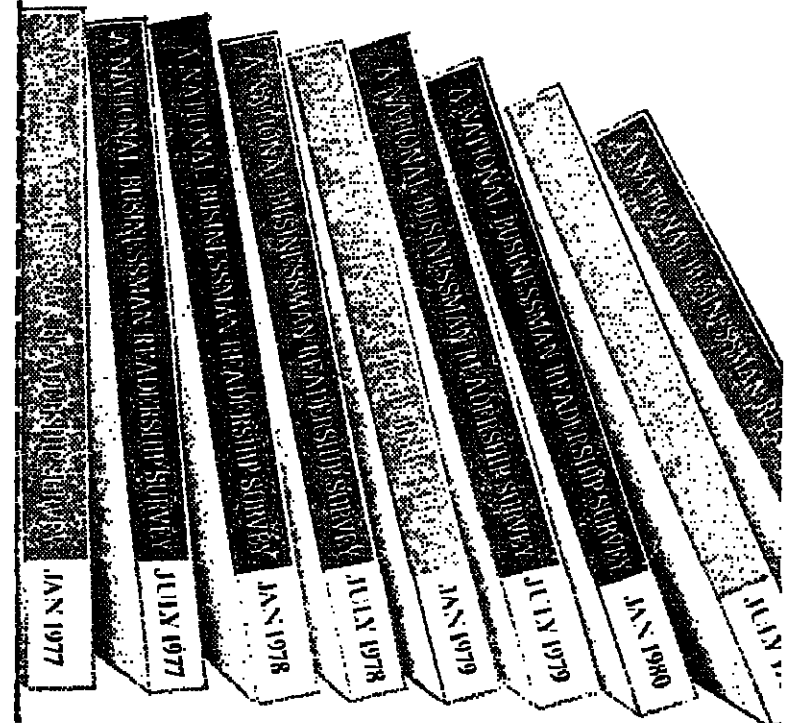
If you feel that your numeracy and market planning expertise can positively contribute to this important marketing development, please write or telephone for an application form to: Ian Mansour, Management Development Adviser, CWS Limited, New Century House, Manchester M60 4ES. Tel. 061-834 1213 Ext. 5366.



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THURSDAY, JANUARY 6, 1977

British Airways joins the guarantees war between package tour operators. Arthur Sandles reports

A nasty turn to events for the travel industry

The start of a long road

IT IS NOW exactly two years since the financial markets emerged from their gravest post-war crisis and embarked on one of the most dramatic recoveries ever seen. The prices of industrial shares virtually doubled in three months; they now stand at much the same level as they attained in that first burst of recovery, though subsequent gains have not withstood two years of deepening economic gloom. Yields on Government stocks fell almost as dramatically; it is interesting that while the yield on undated stocks is now very near the level reached after four months of recovery, the redeemable stocks on which the authorities are relying for their massive funding requirements are much higher—in line generally with the subsequent crisis rates imposed at the end of 1975. The market for undated stocks, in short, is showing considerably firmer confidence than in earlier years that the long-term trend of rates in downwards; but the pressure of the Government's funding operations is holding up other rates, and continuing to depress equities.

Deferred hope

Against this background, the latest developments in the economy fall neatly into place. The investment intentions survey of the Department of Trade confirms the picture given by other recent surveys: faced with a flat or declining home market, and a sharply increased cost of borrowed funds, companies have been trimming or postponing the investment plans disclosed in earlier surveys. A recovery of 10-15 per cent in the volume of manufacturing investment looks healthy until recently.

The forecast level of £1.85bn. at 1970 prices is still 14 per cent lower than in 1970 itself, and 8 per cent below the subsequent peak in 1974. Meanwhile the forecast by the Chancellor that interest rates can now be expected to fall, especially in the second half of the year, offers only deferred hope; and the apparent inflow of nearly \$450m. during December, despite the current account deficit, is a reminder that we are

still in the business of financing the balance of payments deficit as well as the Government borrowing requirement through high interest rates. The whole picture is a bitter reminder of the fact that after two years the policies of deficit, originally intended to avoid undue recession, are now perpetuating recession. The Government appears to hope that the prospective turn-around in the balance of payments, and the measures now taken to restrain the growth of public spending, will this time make it possible to look forward to the recovery which other countries achieved after 1974.

Cost of capital

This is a worthy objective; but it would be considerably easier to believe in its achievement if here was some greater sign that the authorities recognised how far their present financial policies are impeding recovery. While effective funding should make it possible to finance its credit needs from the banking system without undue monetary expansion, high long-term rates are themselves a strong disincentive to investment.

As long as returns and prospective money profits in the gilt-edged market are so high, equities will remain low (and it should be remembered that measured against the cost of capital equipment, "real" equity values have fallen dramatically since 1975, and are not far above their all-time low). It is cheaper to buy machines; and although the decline of sterling has made British labour cheap in international terms, the cost of capital is correspondingly high.

Given the improved long-term prospect, an innovative financial market could readily find less burdensome means of long-term finance. There is now strong pressure for innovation building up not only in the markets, but from the nationalised industries, which regard the financing methods now imposed on them as wildly inappropriate to their needs. Now that control of domestic credit growth has been restored, such critics of present methods should be given a hearing. The price of financial restraint now appears excessive.

THE first week of January is usually one when the travel industry mans its telephones and struggles with the flood of bookings resulting from Christmas advertising. This year, however, events have taken a nasty turn. Market leader Thomson Holidays' Christmas present to the trade was a "no surcharge" guarantee, a move which has intensified the price war in the industry. British Airways reacted yesterday by not only guaranteeing its prices on European and North African holidays but also cutting as much as £30 off the price of holidays taken in the first half of the year.

The guarantees war which is now in full flood is only a symptom of much deeper problems within the industry. The plain fact is that for nearly four years now there has been no room for growth in the business, only the demise of the giants Clarksons and Horizon providing a brief respite from the pressure. Now it is questionable whether there is even room for survival. There will be a sign of relief in the industry if 2.5m. package tours leave Britain this year. In 1973 the total was 4.3m. That 2.5m. could be carried by Thomson, Cosmos, Horizon Midlands, British Airways, and Laker, with a bit of stretching. It would, however, leave nearly 200 other tour operators of varying size without any business at all. That is the measure of over-capacity in the package tour business at the moment.

Just how bad the position can be seen by the way in which Thomson has been forced into the guarantee business. Until a matter of a month ago the Thomson management was still fairly confident that its reputation would see it through. It felt that the guarantee game was too dangerous, involving as it does an open ended assurance to customers that even if sterling drops by 50 per cent against the peseta the price remains the same, and that customers would go for the security of the big name rather than some eye-catching campaign.

Some years ago Mr. Vladimir Raitz, head of Horizon Holidays found to his cost that he could not trade-up in the mass market. His customers simply refused to pay the sort of price that was necessary to sustain a quality product. Now Thomson appears to have found that it too cannot rely on brand loyalty when the option is waving cash carrots. Down-market rivals Cosmos—number two in the package tour league—guaranteed prices at the very start of its campaign and in the end Thomson had to come into line. Industry reports indicate that Cosmos, in some areas of the country at least, has been running ahead of Thomson in pre-Christmas bookings. No market leader can afford to



The men behind the war (left to right): Mr. Gerry D'razer, British Airways managing director and the one who announced a BA package-tour price cut yesterday; Mr. Francis Higgins, managing director of the Thomson Travel group; and Mr. Sid Silver, managing director of Cosmos Tours, first of the big three to guarantee prices.

ignore that sort of warning firm contracts—in other words until the customer makes a booking—so that this possibility is to some extent forbidden to them (Cosmos may have used group resources to overcome that particular problem).

The idea of guarantees in the first place was to give the customer peace of mind. Another company, Olympic, which fixed prices from the

United Kingdom, whatever the guarantee, and there is nothing the customer can do about it—except delay his booking.

Unfortunately for the tour companies this is exactly what many customers are doing, and are being encouraged to do so by tour operators who offer last minute price reductions. Last year saw the crumbling of resale price maintenance in the travel business and 1977 will see its end. The result of this is that next summer will see a wave of price cutting as the companies scramble to fill the last seats at any price. Once again it is back to the load-factor. It is 80-85 per cent has been reached, every passenger carried is sheer profit—at least as far as the air fare is concerned. On a normal Mediterranean run this would be £40-£45. This a company can do without by perhaps £20 and provided the load factor is above the magic 85 per cent with full fare passengers, the remaining £20 or more is profit. Thomson led the way with last minute discounts last season, and there is no reason to think the same thing will not happen again this year.

The danger in this game is what the trade calls revenue dilution, and the rest of the commercial world calls he is losing. This waving goodbye to \$500 every you are offering in order to attract off-peak business prove so attractive that they divert normal custom to the cheaper products. It is a pitfall that awaits all who sell anything: the shop whose sales bargains are so good that no-one bothers to buy in the weeks before the New Year or the airlines that offer such splendid excursion

profits. Whether or not the Cosmos booking advantage will be sustained now that the main rivals are matching his offers remains to be seen, however. If it should emerge that Cosmos is sold out this summer then it will be remarkably against the general trend. Although Thomas Cook reckons the overall market to be down by 30 per cent this year there are others in the business who reckon that 40 per cent or more might be nearer the mark. Cook itself, which primarily retails other people's tours is taking an aggressive stance in the market place on the basis that the only way to survive these days is to take business from your competitors. The total cake is not going to get much bigger for a very long time.

If there is a substantial short-fall in business this year there is likely to be a wave of "consolidations" which is another way for the travel trade to tell you that your holiday has been cancelled. Consolidated customers are offered alternative arrangements, usually involving different times and possibly different resorts, even different countries. The break even for most tours is the 80 per cent to 85 per cent load factor on an aircraft. This year some companies may have to aim even higher if they are going to pay for their guarantees, perhaps as high as 92 per cent. This means that if a company has a dozen 120-seat flights going out in a week, and there is an average of 80 people on each flight, that company must either consolidate by cancelling four flights and filling up the remainder, or lose money. Finding hotel rooms these days is not difficult, even at short notice.

Naturally, one major concern at the moment is the impact of all this on the airlines. They have just emerged from a remarkably successful year. Whether they will repeat that in a year when their main customer—the tour operators—are squabbling over a market down by at best a quarter and perhaps a third, is doubtful.

fears that no-one buys a normal ticket. The tour operators have been caught like this once before. Six winters ago there was a cur-pri weekend war. At the time it was argued that so much airline/hotel capacity was being built for the summer period that it was worth offering packages at operating costs only, simply to keep the operation ticking over. What happened was that the rush to buy these cheap packages was so great that they became a considerable administrative burden and thus a loss-making operation. Cheap weekends abroad are now a thing of the past.

Now, however, the package tour business is off on a selling campaign which is based on similar tactics. The problem is that many customers may notice that since brochure prices are now guaranteed; that since last minute discounts are a near certainty; and that since consolidations are likely, the arguments for booking a long way in advance are minimal. Only someone with very specific requirements, perhaps a popular hotel in peak school holiday time, would seem to need to worry very much about making an early reservation. But if you are in this position, try to get your agent/operator to guarantee that you will get what you have booked—the response could be interesting.

But how likely is all this to produce collapses in the travel business? Among the big operators, the probability is low. What reduced Clarksons to ruins to some extent was the massive in-built overhead. Clarksons was designed for growth and in order to cope with that growth it had substantial long-term contracts with hotels and for aircraft. Once the traffic fell off those contracts proved to be a millstone. To-day the tour operators have much less of this fixed investment.

About the small operators there must be greater worry. An operator with two or three flights a week obviously does not have the same room for consolidation as someone with a bigger operation. If his load factors are down to 60-70 per cent, he may be stuck with them, unless he can find someone who is doing even worse who is willing to share some flights with him. Thus instead of making £40 on every passenger over the 80 per cent mark, he is losing. He could be diminishing returns. This waving goodbye to \$500 every time an aircraft takes off.

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Unnecessary oil deal

THE REASONS for the existence of the British National Oil Corporation become more difficult to discern with every new move it makes. Its latest act, the participation agreement signed by the Government, Shell and Esso, and the BIOC yesterday may seem at first sight like a success for the Labour policy of quasi-nationalisation of North Sea oil, but it very quickly becomes clear that the BIOC has in fact been made even less useful than it was before, while the Energy Secretary, Mr. Anthony Wedgwood Benn, has been obliged to modify his original position.

Under the new agreement Shell and Esso will use all the oil they produce in the North Sea, although one piece of paper will be filed away saying that what comes out of the pipeline has been bought by BIOC at current market prices while another will be put in a file to record that it has within the same instant been sold back. In return Shell and Esso employees will teach the BIOC about the oil business, and the Government will have access to investment, trade and policy planning information.

Depletion

Happily this is a long way from the original proposal that the Government should buy a 51 per cent stake in the fields in the North Sea, and only in a politician's eyes does it come anywhere near to the spirit of the original intention of giving the BIOC genuine control over 51 per cent of the output. As matters stand that control will now at the very most cover a third of the expected output of the North Sea, and then only if anticipated royalty payments are taken in oil rather than cash.

Thus the question remains: what is the BIOC for? It is not necessary to create a giant new

organisation just to cream off royalty income; taxation and royalties can do that. Restriction on the rate of depletion of the reserves is not the corporation's job; under existing legislation this will be the work of the Department of Energy. If these purposes are not served, what is left?

Competition

Since the Government has failed to provide a clear definition of its purpose, the BIOC, under Lord Kearton, has shown by its actions that it has a mind of its own. This is shaping the new organisation into another oil corporation of the familiar kind, building itself upon the backs of the established concerns. The method of expansion is well known: acquisitions rather than the risk ventures than a State-owned company might be expected to take; purchase or borrowing of staff and expertise from BP, Shell, Esso and other companies; agreements of the type signed yesterday; and—if the logical end to all this is ever reached—final emergence as simply another oil company.

If this process was likely to result in additional competition for the existing companies it might not be wholly negative, but the manner of its development is such that the State-owned BIOC can hardly end up as anything other than a powerful spokesman for the very international companies that the Labour Government seems so anxious to control. The involvement in its affairs of civil servants can only increase this tendency. There is nothing here to place the national interest above that of the oil industry; a Conservative Government should resist the temptation to maintain the new bureaucracy. The Tories should abolish it, and set out to remove restraints on competition in the North Sea.

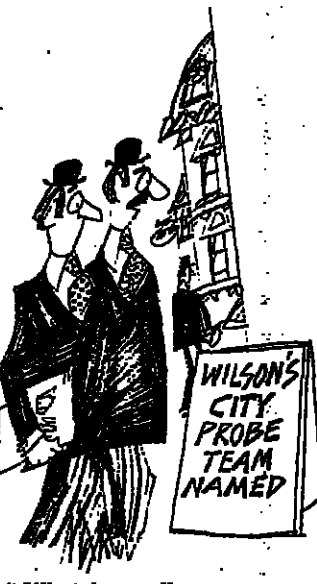
MEN AND MATTERS

Sir Harold's team for the City

"Maybe I can add a little bit of common sense. I think I shall know instinctively some things that the others only understand academically." Zachry Brierley's reaction to being read a list of fellow Wilson Committee members must be echoed by many industrialists. Brierley, 56, whose private company in North Wales makes specialist sharpening machines, exporting 93 per cent of production, is the one representative on Sir Harold's team to look at financial institutions who represents industry at anything less than the giant level.

Unless one credits the TUC pair of Lord Allen and Sir Lionel Murray with carrying industry's torch, then Brierley's only colleagues from industry are David Orr, chairman of Unilever, and Sir Kenneth Bond, deputy managing director of GEC. Companies of their size and profitability don't, for the most part, ask much of the City. They do not need specialist advice—their own finance departments amounting to an in-house merchant bank—and the capital markets are anyway going to stand up and salute when they need to issue fresh stock. The bulk of industry, which possibly needs the City more than it realises, or more than the present City structure can provide, appears to have little muscle in this team.

But then quite what the Committee—born from the Labour NEC's proposals to nationalise clearing banks and insurance companies—is meant to do is far from clear. The terms of reference boil down to three issues: reviewing the provision of funds for industry (something the Nedy committee under Sir Eric Roll is



"What he really needs are a few poachers turned game-keepers!"

already doing, with another year to go under its present mandate); looking at the supervision of financial institutions (something the DoT has already pronounced on—it does not want an SEC-style body—and where the solution of enlarging the Take-over Panel is already being promoted); and third, nationalisation. The remaining mandate is to inquire into "the role and functioning" of our financial institutions, a task which could go on for as long as anyone wants it to.

Such inquiries seldom fall to produce fascinating reading. In addition this one, whenever it is published, will probably be spiced by some minority reports for it is hard to see Clive Jenkins, for one, missing the chance to disagree with senior clearing bankers. But its direction and relevance have already been queried, not least by the City itself, worried by the absence of anyone with a full-time working knowledge of the Stock Market or merchant banks.

Ireland's man for London

THE IRISH, as is well known, have a different way of doing things. In Whitehall it would be considered more than strange were the permanent head of the Foreign Office to be "demoted" to an Ambassadorship. But that is precisely what the Irish have done with their announcement that Permanent Secretary Paul Keating will take over as Dublin's Ambassador at the Court of St. James towards the end of February. And Keating's predecessor in the top job at Ireland's Foreign Affairs Department, Hugh McCann technically stepped down to become Paris Ambassador.

Paul Keating's appointment to London is in many ways, though a diplomatic promotion. With an Irish population in Britain of nearly 1m, and the delicate Anglo-Irish relationship produced by Ulster's grumbling crisis, London is the key position. At present, relations are warm and friendly, and even became closer in the aftermath of last July's Provisional IRA murder of Britain's envoy to Ireland, Christopher Ewart-

Boxing clearer

THE ABC, which drew such clerical abuse for demoting Boxing Day to the Monday after Christmas, in all its festive announcements appears to have conceded defeat. On its announcement that the first public screening of Angela Rippon's legs produced the biggest television audience of the year (bigger, piquantly enough, than that for Miss World) if referred to the Sunday after Christmas as Boxing Day.

What would it cost to lose your sight?

Possibly your independence. Probably your career. Perhaps your own security and that of your family. And certainly your peace of mind. Suddenly all the important things it's taken a lifetime of work to build begin to crumble.

Yet this need not be the case. Your legacies and donations to the RNIB help maintain and extend facilities like braille literature and music, Talking Books, rehabilitation centres for the newly blind, homes and holiday hotels, training and employment schemes, research and over 300 special aids for use in everyday life.

Why not turn a thought into a gift of money now.

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ROYAL NATIONAL INSTITUTE FOR THE BLIND
224 GREAT PORTLAND STREET, LONDON W1N 6AA
Under the Finance Act 1975, bequests to charities up to a total of £100,000 are exempt from Capital Transfer Tax. Registered in accordance with the National Assistance Act 1948.



Observer

ECONOMIC NOTEBOOK

An open reply from Milton Friedman

DEAR SAM: Your open letter to me of December 2, 1976, is a delight, serving the real function of a civilised discourse...

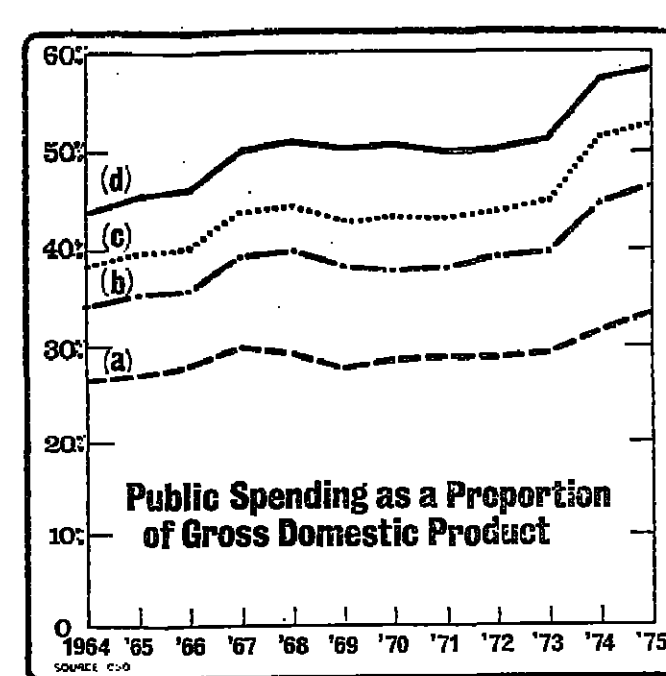
ment. But if the extra government spending were financed by higher taxes or by borrowing from the public, it would be ineffective. The government might spend more, but taxpayers or alternative users of the borrowed funds would spend less.

Second reason Mr. Callaghan would doubtless reject out of hand... a government first starts down the welfare path, it can confer large benefits on a few by imposing light taxes on many.

Let me turn from these misunderstandings to a possible real disagreement: my objection to "doing good with other people's money" v. your desire to resort to the state as a second best solution for achieving a unanimously desired redistribution of income and wealth.

homogeneity and sense of common feeling. The long democratic tradition in Britain, as in the U.S., makes for a high tipping point, but the increasing heterogeneity of the British population in the postwar period, like the even greater heterogeneity of the U.S. population, works in the opposite direction.

suppose that you can really separate the "whole welfare state" from "its methods." They are part and parcel of one another. Cordially yours, Milton Friedman, Department of Economics, University of Chicago.



(a) Public spending on goods and services as % of GDP at factor cost. (b) Total public spending (old definition) as % of GDP at market prices. (c) Total public spending (old definition) as % of GDP at market prices. (d) Total Public Spending (old definition) as % of GDP at factor cost.

Light on spending By Samuel Brittan

I am delighted to have elicited the above, very helpful, clarification from Professor Friedman. It might be worth using the remaining space to shed some light on the movement of public spending in the U.K. The chart shows the movement of public spending according to four different definitions.

concerns, while the new one Government outlays and hand-includes only investment outlays. Mr. Healey promised the financed from Government IMF that public spending in 1978 funds. The old one also included will be 1 per cent. less than in all public sector debt interest 1975. Even allowing for some gross, whereas the new one stipasse, the Government spending-excludes interest financed from ing ratio is more likely to rise than to fall. The bigger danger public sector prices, rents or other charges. A switch back to the to both freedom and efficiency old definition takes the 1975 rests in the controls and proportion up to nearly 53 per cent. A seemingly technical change — that of expressing the total as a proportion of the national product at factor cost. It is in these areas (and in measures justified only by pure envy such as penal taxes which produce negative revenue) that the real adverse comparisons with other countries lie, rather than in public expenditure pure and simple.

Letters to the Editor

Gilbertian at best

From Lord Camoys. Sir—In his admirably clear taxation article entitled "Away from Home," (December 24), Mr. David Wainman has set out how the Inland Revenue in the "consultative document" proposes to implement the Chancellor of the Exchequer's recent decision "to encourage those at the sharp end of exporting" by giving certain people who work for a period abroad the relief which are at present allowed only to those with separate jobs abroad.

Measures of wealth

From Mr. K. McInnes. Sir—You might consider whether to run a weekly section devoted to correcting impressions which so many people seem to get by accepting the pound as a standard measure of wealth. It cannot be this, especially while the money supply is being rapidly diluted.

Local authority income

From The Chief Executive Gloucestershire Council. Sir—We were particularly interested to read the article by Mr. Jones (December 17) entitled "Paying for those local services" which I found more useful than any one I could get my hands on.

Spreading holidays

From The Secretary, Birmingham Chamber of Industry and Commerce. Sir—I refer to the article which appeared on December 30 concerning the reactions of foreign businessmen to the Christmas shutdown in many British factories.

The tax trap

Sir—Mary is married with two children aged 13 and 15 and her husband earns a salary of £10,000 per annum, claims income tax allowances of £2,500 and pays tax at 50 per cent. on his highest band of income.

To-day's Events

- New membership of Commission for European Communities, including Mr. Roy Jenkins (president) and Mr. Christopher Tugendhat (second British Commissioner), takes office in Brussels from to-day until January 5, 1977.

- Show, Earls Court. Camping and Motor Caravan Exhibition, Olympia. Model Engineer Exhibition, Wembley Conference Centre. OPERA. English National Opera production of A Night in Venice, Coliseum Theatre, W.C.2, 7.30 p.m.

Agriculture in Iran

From The Press Attaché, Imperial Iranian Embassy. Sir—With regard to Robert Graham's article, "The failure of large-scale commercial farming in Iran—a most troublesome experiment" (October 21, 1976), could I be allowed to pass on some comments from the Iranian Ministry of Agriculture and Natural Resources?

Work, not play

From Mr. R. Kimberley. Sir—Given a five-day working week and allowing three weeks for annual holidays the three extra days' holidays (December 27, 28 and January 9) to which we have helped ourselves this year by disposition of our Government represents 1.2 per cent. of the working year.

Letting rooms

From The Housing Policy Officer, Shelter. Sir—Mr. David Liss (December 21) suggests that Shelter promote a bill to allow resident landlords to let rooms for a fixed term. The simple answer to this suggestion is that the 1974 Rent Act, which Shelter supported, already allows residential landlords to let for a single fixed term. It seems a pity that this fact is not more widely known.

Backhanders.

To all our readers blessed with an IBM computer lease, a happy new year. Your rent's just gone up. With perfect timing, IBM have wished on you some splendidly back-handed compliments of the season, in the form of a whole load of price rises from January 1st.

Backhander No.1. A rent-free 45-day trial of our IBM-equivalent tape drives. (Tape drives are a good choice to try first.) Backhander No.2. Then, when you're delighted, you can keep the equipment at 25% less than the new IBM figure. Which means lower budgets—or more equipment for your money. Backhander No.3. What's more, if there's a cancellation clause in your IBM Term Plan (there will be), we can soften the blow, by charging a purely nominal rent for the first few months.

TELEX Plug-in alternatives to IBM peripherals. Includes details of Telex equipment, pricing, and contact information for Telex Computer Products UK Ltd.

Would it cost your sight? NIB Optical Institute for the Blind. Advertisement for an optical institute.

COMPANY NEWS + COMMENT

Waddington recovers to top £2m. midway

PRE-TAX PROFITS more than doubled from £921,000 to £2,025,000 are reported by John Waddington for the 28 weeks to October 10, 1976. Sales expanded from £15.93m. to £18.73m. Tax takes £1.1m. (£0.56m.) while minorities add £7,000 (same). The interim dividend is lifted from 1.3125p to 2p net per 25p share to reduce disparity. A maximum permitted total of 6,434,250 is expected, this compares with 5,867,500 for 1975-76 which was paid from pre-tax profits of £1.74m.

HIGHLIGHTS

Once again merger activity took the limelight from company results. Kade International announced that an offer may be made by an unnamed group for the company—news that sent the shares 11p higher at 57p. In another bid, British Car Auctions is to offer one of its shares for every three shares in Nationwide Leisure, whose shares have not been quoted for several years. Merger talks were also being held between the Beaver Group and C.H. Industrials, although no details are available. The most impressive result in a short list was the 120 per cent jump in interim profits of John Waddington, with the strongest impetus coming from the packaging side. We also comment on Ratner's interim results and his hopes for the rest of the year.

January 24. A first payment of 4p was made in January last year. The liquidator says that he would not at this time like to forecast on the prospects of a further distribution in the near future but will report when he reculates accounts for the second year of liquidation in the spring. In the meantime, ordinary shares will continue to be quoted.

Ratners to reach record

ON TURNOVER ahead by 29 per cent, to £4.34m., pre-tax profits of Ratners (Jewellers) increased from £382,492 to £375,407 for the six months to October 6, 1976. The greater part of profits are earned in the second half and since the half-year end sales have continued at a high level, culminating in another outstanding Christmas season. Accordingly, the directors look forward to record full-year profits compared with £1.08m. in 1974-75 and £0.92m. last year.

The interim dividend is raised from 0.652575p to 0.87775p net per 10p share—last year's final was 0.565375p. A first-half scrip issue is also proposed. Continued aggressive marketing policies, together with the increased number of branches, as a result of previous years' expansion, has contributed substantially to the increase in sales, say the directors.

The growth in profits is particularly encouraging as compared with the rate of inflation. The VAT-concession boom, they tell members. Additionally, inflation has affected results even more adversely than before, and the initial expenses connected with new branch openings are at record levels. In continuation of plans for expansion five new branches were added in the first half, all of which are trading successfully. They include a branch at Brixton, Stourhead, Hounslow, Derby and Mansfield.

Since the end of the half year five further units have been added, all of which are also trading successfully, at Manchester, Edinburgh, Sunderland, Kinross, upon Thames and Brixton. Further branch openings are planned for 1977, and propositions are constantly under consideration.

In the foundry division, he is confident that further progress will be made in selling abroad during the year. For architectural products, with the certainty of cuts in public expenditure, the year ahead "is going to be as difficult as 1976 has been." Saudi Arabia is proving to be interested and he is hopeful of securing contracts for windows to be erected in various Middle Eastern countries. Meeting, Cardiff, January 28, noon.

Birmingham Pallet setback

WITH SALES marginally lower than in 1975, Birmingham Pallet Group in the year ended October 31, 1976. Profit for the second half was in excess of the £74,000 (£131,000) for the first half but not to the extent envisaged at the time of the interim statement. However both sectors of the business are now experiencing a higher level of activity which, if continued, should lead to an improvement in profits for the current year, say the directors.

J. Williams expects progress

IN FUTURE years, John Williams of Cardiff should increase its return on capital employed and dividends paid, Mr. H. Williams, chairman, tells shareholders.

If the nation is able to inspire self confidence, he confidently predicts a further increase in pre-tax profit and even if the authorities fail to give the lead, the company will still do well in comparison with its competitors. In the steel stockholding field it remains policy to try to build a national operation, perhaps involving some acquisitions. However, in the architectural products division there are no plans to expand beyond the Cardiff base but the foundry division should grow and there is agreement in principle on a programme of further development.

The chairman believes that the business of steel stockholding will grow, partly as a result of the ever increasing cost of borrowing money to finance industrial development—thus, high interest rates could work in the company's favour in 1977.

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TELFER PAYS 2p DISTRIBUTION Department store operators, Telfer and Co., in voluntary liquidation since February, 1975, announces a second distribution of 2p per 10p share, payable on

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Current year dividend	Total dividend	Total last year
Birmingham Pallet	4.0	Mar. 7	3.5	5.5	5.0
Geavor Tin	0.54	—	Nil	—	1.55
Ratners (Jewellers) Int.	0.84	Mar. 11	0.65	—	1.57
John Waddington	2.00	Feb. 15	1.31	—	5.87

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡Increased to reduce disparity.

Good start at Matthew Brown

IN HIS annual statement, Mr. C. J. Ainsworth, the chairman of C.W. Brown, etc., Matthew Brown and Company says that trade has held well in the first eight weeks of the current year and even at a general price increase during October, is marginally up on last year.

Mr. Ainsworth tells members that the group is better equipped than ever to tackle all problems and to make the most of all opportunities. After the September results the Board is looking for a healthy contrast to last year's £195,000 cost of borrowing, but user factors affecting profits for 1976-77 are less predictable.

The cash proceeds of the rights issue, came to some £1.36m. net and are to be utilised in meeting the increasing production capacity for Slalom lager by completing the extension of the Worthington brewery acquired last August, and by installing a newer lager plant at Blackburn.

Mr. Ainsworth believes the potential for Slalom lager sales requires the group to start brewing it as soon as possible at Blackburn, too. This will involve the purchase of the site at Blackburn, too. This will involve the purchase of the site at Blackburn, too.

With the Cumberland contributions to profits coming through at a steadily improving rate throughout the year, the total has exceeded original expectations, and the total for next year looks likely to surpass them still further, says the chairman.

Exports of the group's 30 pre-tax profits for the 28 weeks to October 2 advanced from £2.09m. to £2.6m. on sales of £15.66m. (£11.43m.). Stated earnings rose from 7.07p to 8.94p and the dividend from 5.51p to 8.51p with the 5.6p final payable on the increased capital.

The total volume sales of beer were up by over 12 per cent. The group's two mild beers accounted for 10 per cent of total draught sales, while bitter brewed at home sales have increased in total by almost 50 per cent, and now add up to about 13 per cent of total sales of draught beers (up from 11 per cent. last year). Bottled beer sales continue to decline, but those of the bottled mineral waters were up by over 25 per cent.

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Davenport's sees limited growth

IT would be unrealistic to anticipate any significant growth in real terms in the year ahead for Davenport's Brewery (Holdings) says Mr. J. G. Swanson, the chairman. With the national economic outlook remaining grim, continuing high rates of inflation, and reduced consumer spending expected, the main challenge for the company will be to contain the worst effects of soaring costs, he comments.

For the year ended September 30, 1976, sales rose from £13.07m. to £19.07m. and pre-tax profit increased from £1,185,000 to £1,390,000. Bank and short term deposits expanded by £588,000 (£399,000) and working capital by £432,000 (£357,000).

In the second half of 1976-77 trading progress was maintained, helped substantially by the summer, but rising costs, including large depreciation charges for a new bottling line and data processing equipment, reduced the rate of profit increase achieved in the first six months when profit was up at £396,000 (£320,000).

Beer at home sales continued to improve and sales of less expensive table wines showed growth. A self service "bar at home" shop was acquired in Solihull and it is intended to develop further this side of the business. The free trade department is also becoming an increasingly important area of operations says Mr. Swanson. In 1976 there was substantial growth in the sales of lager and sales of own-brand lager rose by 70 per cent.

A scheme is under way to increase the company's fermentation capacity which will become operative during 1977. During the past year planned steps were taken in the administrative reorganisation begun in 1975.

Meeting, Birmingham, on January 25 at 12.15 p.m.

C. T. BOWRING C. T. Bowring announces the formation of a new company, C. T. Bowring Professional Indemnity, which will commence to operate immediately as Lloyd's brokers.

The company will be responsible for the professional indemnity insurance currently handled in the London-based companies of C. T. Bowring (Insurance) Holdings, in the U.K., Europe and Africa.

This company will also be responsible for managing the Bowring group's interest in two associated companies—London Insurance Brokers and RICS Insurance Services.

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Wellcome expands by 58% to £41m.

AN INCREASE of 58 per cent in pre-tax profit to £41m. is reported by The Wellcome Foundation, for the year ended August 28, 1976.

Sales, up 36 per cent, at £290m., have increased in all four operating regions. The increase includes £21m. due to the declining value of sterling. Eighty per cent of net profit has been retained to finance future expansion.

Mr. A. A. Gray, the retiring chairman comments: "I see considerable scope for further economic expansion. I can forecast further progress." Expenditure on research and development rose to £23m. (£18m.) in 1976, 85 per cent of sale to third parties were outside the U.K. with direct exports rising from £4m. to £51m.

During the year £18m. was spent on fixed assets and there is a further capital expenditure programme ahead. "We now expect that the emphasis will move away from expenditure on production facilities to that on research and development," says Mr. Gray. Although total gross borrowings increased by £13m. during the year the net indebtedness after cash balances was virtually the same as the previous year. Short term net borrowings, however, declined by £5m.

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Mid-term drop at British Cinematograph

Pre-tax profits of British Cinematograph Theatres fell sharply from £39,189 to £5,776 for the six months to July 31, 1976, on turnover excluding VAT of £1.02m. against £1.12m. last year. Mr. J. W. Davies, the chairman, says that sales at the photographic shops during the first quarter were disappointing and through a marked improvement took place when higher rate VAT was reduced to 121 per cent. It was insufficient to restore profits to the previous year's level.

In common with cinema generally, the very hot weather from the end of May onwards seriously affected the takings of the new Ionic which had been making good progress.

Figures for the third quarter show an entirely different picture, however, and the photographic shops continue to benefit from the upsurge in spending on consumer durables. Barring unforeseen circumstances, the Board anticipates that results for the full year will be much more satisfactory and will provide ample cover for the dividend.

Last year 1.2125p net per 10p share was paid from pre-tax profits of £73,128.

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Gatwick shop concession for UDS

The UDS Group announces that its wholly-owned subsidiary Alders International has gained the concession for five years from the British Airports Authority to operate the duty free liquor and tobacco shops and tax free gift shops and also the duty paid gift shop at London's Gatwick Airport.

These activities are closely linked with those of its sister company, Ocean Trading (Ships), which is the largest ship's shop concessionaire in the world.

These and other recent extensions of the activities of the airport and ship shops divisions of UDS are expected to make an increasing contribution to profits.

Further moves at Belgrave Assets

For the third time in six months a group of shareholders in Belgrave Assets has challenged the policy of the Board and requisitioned an extraordinary meeting to promote their views.

On the previous two occasions, moves to utilise Belgrave and change investment managers were defeated. In the present case, with the certainty of cuts in public expenditure, the year ahead "is going to be as difficult as 1976 has been."

Meeting, Cardiff, January 28, noon.

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Kingdom of Saudi Arabia Wadi Sawawin Iron Ore Exploration

British Steel Corporation (Overseas Services) Ltd. are preparing an initial one year programme which will involve the core drilling of approximately 20 holes totalling about 2500 metres in the Pre-Cambrian Iron formation of NW Hejaz in mountainous country under desert conditions.

This initial programme is likely to be followed by further drilling. Companies interested in receiving detailed specifications should apply by telex before January 15th, 1977 to:

D.R.F. Hill, BSC (Overseas Services) Ltd., 151 Gower Street, London. Telex No. 265123

Lloyds and Scottish

A Further Year of Growth



George Duncan, Chairman

CONSOLIDATED PROFIT STATEMENT	1976 £'000	1975 £'000
Group profit before taxation	14,483	13,103
Group profit after taxation and minority interests	6,646	6,237
Extraordinary items	(598)	50
Profit after extraordinary items attributable to Lloyds and Scottish Ltd.	6,048	6,287
Dividends	3,587	3,261
Profit retained in the Group	2,461	3,026
Earnings per share	6.55p	6.79p

FUTURE PROSPECTS—Diversification of the Group's activities has strengthened its ability to produce a creditable performance in spite of adverse economic circumstances. The principal involvement of the Group continues, however, to be in the instalment finance industry and events of the past few weeks make it hazardous to comment on the prospects for the current year. Since the end of our financial year, there have been increases in the minimum lending rate and the Bank of England has introduced a credit control on banks and deposit-taking finance houses. These factors will affect demand and the prospects for growth. We enter the New Year, therefore, in a climate of uncertainty. Over the years, however, the Group has had to face similar situations and has weathered the storms well; I am confident that it will continue to do so.

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Export potential at Moss Engrg.

Mr. E. Carr, chairman of Moss Engineering Group, told the annual meeting that returns for the first quarter of the current year still suggested final results similar to 1976. Export sales, however, reach around 30 per cent of annual turnover compared with 9 per cent for the previous year.

J. H. Fenner ahead so far

Mr. J. Palmer, chairman of J. H. Fenner and Co. (Holdings) reported at the AGM that turnover of the company for the first quarter of 1976/77 exceeded that of a year ago in volume and value: home sales and exports both contributed to this growth.

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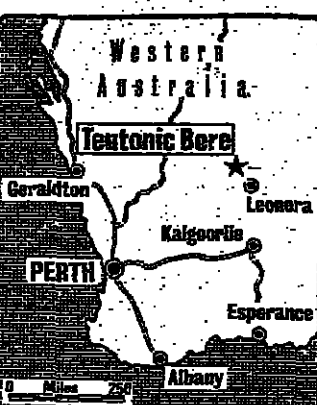
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expands £41m. Mid-term at British Cinematograph

MINING NEWS Success for ST and MIM at Teutonic Bore

by KENNETH MARSTON, MINING EDITOR LATEST drilling results from a further 13 holes put down by the Selection Trust-MIM Holdings partnership...



at depth to the north. For purposes of comparison, Teutonic Bore could be some three to four times the initially indicated size of Selection Trust's successful South Bay mine in Canada...

BIDS AND DEALS Baker Perkins to buy out U.S. minority

Baker Perkins Holdings is intending to buy out the minority shareholders in its U.S. subsidiary, Baker Perkins Incorporated, for \$4m. (22.35m.).

U.S. EXPANSION FOR MACDONALD EDUCATIONAL

Macdonald Educational, part of British Printing Corporation, is forming a new U.S. publishing company to be jointly owned with Raintree Publishers of Milwaukee, Wisconsin.

Anchor Chemical moves closer to Sartomer

IN A £180,000 capital injection the U.S. Sartomer Industries Incorporated is to subscribe for 400,000 new fully paid ordinary shares in Anchor Chemical at 45p per share.

RECENT ISSUES EQUITIES

Table with columns for Stock, 1976/77, and 1975/76. Lists various equities and their performance.

FIXED INTEREST STOCKS

Table with columns for Stock, 1976/77, and 1975/76. Lists fixed interest stocks and their performance.

RIGHTS OFFERS

Table with columns for Stock, 1976/77, and 1975/76. Lists rights offers and their performance.

WATTLE GULLY'S URANIUM CLAIM

Replying to a request from the Melbourne Stock Exchange for a qualification of the uranium report, issued on December 30 by the consulting geologist of Wattle Gully Gold Mines, concerning the company's reported uranium find at Thatchers' Sink in Western Australia...

ASSOCIATE DEALS

Cazenove and Co. has bought 100,855 Golden Hope Plantations shares at 51p on behalf of Harrison and Crossfield.

London Clearing Bank's balances as at December 8, 1976

Table showing London Clearing Bank's balances as at December 8, 1976, including aggregate balances, liabilities, and assets.

Banking figures

Table showing banking figures including eligible liabilities, reserve assets, and ratios for various banks.

Saudi Arabi Ore Exploration

NEW LIFE BUSINESS Phoenix rises to £1.2bn.

WORLD-WIDE life business figures of Phoenix Assurance Group for 1976 show new sums assured up by 24 per cent. to £1,195m.

BONUSES

FRIENDS PROVIDENT LIFE OFFICE 1976 level of reversionary bonuses has been declared for the three years ending December 31, 1976.

Matthew Brown & COMPANY LIMITED Lion Brewery Blackburn. Extract from the Report and Accounts to 2nd October, 1976. RESULTS AT A GLANCE in £'000

All these securities having been sold, this announcement appears as a matter of record only.

U.S. \$30,000,000

I.U. Overseas Finance N.V.

(Incorporated with limited liability in the Netherlands Antilles)

9 per cent. Guaranteed Bonds due 1983

Payment of principal, premium (if any) and interest is unconditionally and irrevocably guaranteed by

IU International Corporation

(Incorporated with limited liability in the State of Maryland, U.S.A.)

S. G. Warburg & Co. Ltd.

Hambros Bank Limited

Banque de Paris et des Pays-Bas

Credit Suisse White Weld Limited

Westdeutsche Landesbank Girozentrale

Table listing various banks and financial institutions under the I.U. Overseas Finance N.V. umbrella, including names like A.E. Ames & Co., Amsterdam-Rotterdam Bank N.V., and others.

FINANCIAL AND COMPANY NEWS

Venezuela to raise \$1.2bn. in major Euroborrowing

BY TONY HAWKINS
A GROUP of 18 banks is submitting a wholly underwritten bid to the Central Bank of Venezuela for a \$1.2bn. Euroloan...

Swiss lift ceiling on foreign bond loans

BY JOHN WICKS
ZURICH, Jan. 5. THE SWISS National Bank has set a ceiling of Sw.Fr.500m. for new money to be raised by foreign bond loans in January and February...

SALES FORGING AHEAD STRONGLY AT GASUNIE

BY MICHAEL VAN OS
GASUNIE, the State-controlled Dutch monopoly gas distribution company in which Shell and Esso each have a 25 per cent. interest...

BOVIS BERHAD RIGHTS

BOVIS SOUTH East Asia Berhad said the bulk of 14.13m. shares of one Malaysian dollar each of its recent rights issue of 14.25m. shares was taken up by the underwriters...

BAN ON FOREIGN BORROWERS LIFTED

THE DUTCH Central Bank will again allow foreign borrowers to raise funds on the private Dutch market from the start of the year...

PASTORAL MERGER PLAN

TWO OF Australia's oldest pastoral companies - Australian Estates and Australian Mercantile Land and Finance - are considering a merger...

JAPANESE STOCK MARKET Mixed prospects for 1977

BY DOUGLAS RAMSEY IN TOKYO
A FEW DAYS before the 1976 stock market closed on the 41-month high, Tokyo and the seven other Japanese stock exchanges...

ZINC PLANT CLOSURE BY METAL

METALLGESELLSCHAFT, the Frankfurt-based metals, engineering and transport concern, has shut down one of its zinc smelters...

The Sumitomo Bank, Limited

(Incorporated in Japan)

CONDENSED BALANCE SHEET (AS OF 30 SEPTEMBER, 1976)

Table with columns for ASSETS and LIABILITIES & CAPITAL FUNDS, showing various financial metrics like Cash and Due from Banks, Loans, and Reserves.

The above Balance Sheet was approved at the Annual General Meeting held on 23rd December, 1976

Sumitomo's first business activity can be traced back some 400 years, to 1590, when Kichizaemon Sumitomo started a copper-smelting business in Kyoto...

BRAZILIAN INVESTMENTS S.A. Net Asset Value per Depositary Share as of 31st December 1976 U.S.\$85.95

VONTobel EUROBOND INDICES table showing Price Index, Average Yield, and other financial data for various bond indices.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Falck putting 1,500 workers on short time

BY PAUL BETTS

ROME, January 5.

THE FALCK Group—Italy's biggest private steel producer and country's second largest steel company after the State-run Italcrist—has announced that it will put nearly 1,500 workers on short-time at three of its plants in the Milan region. In a statement, the company said that the decision was taken as a result of the drastic fall in demand from September onwards of the need to reduce production at the company's steel and special steel plants of Unioeste and Concofal. Production at the company's plants will stop for one week per month for the first four months of the year. At the company's Unioeste plant at Novate Arzola, production will be reduced for two months this year. The company, controlled by the Falck family but in which other Milan family groups—Pirelli and the "Pentoni" family—hold important stakes, is regarded in Milan as having done much better than most during the year's crisis. An FLM spokesman said that they opposed the group's decision and wanted to hold wider discussions with the management on the question of the union in Italy as a whole. The union is hoping to hold a further meeting with representatives of both private and state steel concerns later this month amounting to almost 100,000. Sales in the internal Italian steel industry...

Hachette reduces radio stake

By Robert Marthner

PARIS, Jan. 5.

HACHETTE, France's largest publishing group, intends to sell 8 per cent of its 16 per cent stake in the capital of Compagnie Luxembourgeoise de Telediffusion which controls Radio Luxembourg. Valued at Frs.45m. (more than £5m.) the Hachette holdings will initially revert to CLT until a suitable buyer is found. The deal is subject to the authorisation of the French Finance Ministry. Some 53 per cent of CLT's shares are held by Audiofina, whose own capital is divided between the Belgian holding company Bruxelles-Lambert, Paris, of France, Agence Havas, the French advertising agency, and Compagnie des Compteurs.

Banking move by La Roche

THE BASLE private bank La Roche has acquired a shareholding in the south German banking house J. A. Krebs, of Freiburg reports John Wicks from Zurich. This move is intended to strengthen the friendly relations which have existed for many years between the two banks and La Roche's operations in southern Germany. Krebs and La Roche are two of the oldest banks in the upper Rhine area, having been established in 1721 and 1787, respectively.

Fourth quarter loss expected by Gotaas Larsen for 1976

BY OUR SHIPPING CORRESPONDENT

GOTAAS-LARSEN, the shipping subsidiary of the American IU International Corporation, is expected to report a loss for the last quarter of 1976 which will mean a reduction in its earnings contribution to the parent for the third successive year. Gotaas-Larsen's difficulties, largely a result of the depression in the world tanker and oil rig markets, will be a major factor in reducing IU's end of year figures. Up to the end of September 1976, IU earnings had fallen to 82 cents per share compared to \$2.31 for the year earlier. IU, an agribusiness and transportation multinational, revealed yesterday that Gotaas-Larsen's nine months earnings contribution of \$11.3m. to a corporate total of \$31.1m. would be reduced by a last quarter operating deficit. Some \$7.5m. of the profit comes from gains from vessel sales. In addition, a one and for all charge against earnings of \$3.7m. would be made as a result of an agreed termination of a tanker charter. This was due to expire at the end of this year but the company has secured the owner's agreement to cancel. Between 1973 and 1975 Gotaas-Larsen's earnings slumped from \$84.5m. to \$12.3m. IU's net earnings held up well in 1975 because of good returns from its other sectors but several of these performed less well last year. It also revealed that financing arrangements totalling \$200m. have now been completed for the three liquefied natural gas carriers being built by Moss Rosenberg shipyard in Norway. The second of these vessels was delivered at the end of last month.

EUROBONDS

Books closed on Sumitomo

BY TONY HAWKINS

WITH THE \$20m. Sumitomo Heavy Industries seven-year bond issue having been massively oversubscribed the issue managers have announced a shortening of the selling period and the books were closed yesterday. It is understood that the 8 per cent bonds (originally indicated coupon was 8 1/2 per cent) attracted a subscription in excess of \$200m. Pricing will take place early next week. Also reflecting the highly liquid market conditions, the Bank Handlowy of Warsaw floating rate issue has been increased to \$35m. from the \$20m. originally announced. The managers said that the size of the loan had been raised due to the excess demand for the five-year notes. The issue price is 95 with interest at 8 per cent above Libor (6-months London inter-bank offered rate) and a minimum coupon of 6 1/2 per cent for the first two years and 7 per cent thereafter. After its prolonged bull phase, the secondary market turned a shade easier yesterday, possibly reflecting the weakness in the New York market on speculation that short term interest rates have started to bottom out. Prices were down by about a point in most sectors of the market with turnover only moderate and some selling of the more recent issues. With prices having been pushed ahead to new highs in many cases, it is not surprising that there should be signs of profit-taking and investor caution.

BONDS/TRADE INDEX

Table with columns: Bond, Wednesday, Tuesday. Rows: Medium, Long, Convertible.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

Table with columns: Bid, Offer, Bond Name, Price. Includes sections for STRAIGHTS, FLOATING RATE NOTES, D-MARK BONDS, CONVERTIBLES, and NOTES.

Hague withdraws Tealtronic aid

BY MICHAEL VAN OS

AMSTERDAM, Jan. 5.

THE DUTCH Economics Minister has decided to stop pumping about 70 per cent. It was hinted money into Tealtronic Nederland, the former Sinter office computers manufacturers, in the way the company was being managed and that it wanted to open the doors for another, shock decision will mean an almost certain bankruptcy of the company in Nijmegen, a high-unemployment area, though understood to have returned to the government only days before it was due to close its gates finally in February, 1975. At the last moment a foreign company was brought in to carry out the management, called Tealtronic. It was said to be based in Switzerland—British-owned, as part of AML displaced in the U.K. in mid-October, 1976. However, the Dutch Economics Minister revealed that the Government had "stuck its neck out rather raised its stake in Tealtronic far" in the affair. The Nijmegen company said last October that it would start production of line printers on the basis of an American licence. It manufactures computer-aided design systems for foreign markets as well as computer components. Dutch Press reports to-day said the Dutch authorities did not rule out the possibility that fraudulent acts might have taken place at Tealtronic Nederland at some stage. An Economics Ministry spokesman would only comment that the Government had "stuck its neck out rather raised its stake in Tealtronic far" in the affair.

Thyssen-Hueller merger disapproved

FINANCIAL TIMES REPORTER

THE MERGER between Thyssen Industrie and Hueller Hillé, two machinery makers, has not been sanctioned by the West German Federal Cartel Office. In particular, the merger unit would then enjoy excessive market power. The former mechanics of the merger were completed some 15 months ago, on October 1, 1975, when Thyssen-Huette's of the market. Thyssen Industrie has stated that it will contest the ruling by the Cartel Office. In particular, it disputes the Office's calculation of new market share. By its own reckoning, it enjoys no more than 18 per cent, to 21 per cent.

Wilhelmsen profits up

BY FAY GJESTER

OSLO, Jan. 5.

WILHELMSEN, Norway's largest shipping company, expects profits for 1976 to be somewhat higher than a year earlier, despite a fall in freight earnings, because of a steep rise in financial earnings. Pre-tax profits in 1975 including financial earnings were Kr.3157m. and freight earnings Kr.1,720m. Freight earnings in 1976 are estimated at some Kr.1,670m. Profits on operations in the liner trade are expected to be some 25 per cent, down on a year earlier.

Genesco seeks new chief

BY JAY PALMER

NEW YORK, Jan. 5.

A SMALL team of executive directors of Genesco, the large financially troubled U.S. confectionery, has officially decided to look outside the company for a new permanent chief executive. Earlier this week, the company's boardroom row, the company unexpectedly ousted Franklin Jarman, the son of the company's founder, as president and chief executive. In Mr. Jarman's place, in a move announced last week, the board of directors named Mr. William Blackie, an 87-year-old former family lawyer who has become acting-chief executive of Genesco from his father, the company has had a dismal earnings record. Jarman's radical surgery designed to eliminate unprofitable outlets has produced little recovery as yet and the company has not managed to declare any dividend since mid-1973. Although both profits and sales moved ahead in 1976, the company troubles were clearly not over with its first quarter 1977 earnings falling to less than half the level seen a year before. Within this context, Mr. Jarman came under considerable personal criticism for his decision, last October, to lift his personal annual company salary by \$100,000 to \$285,000.

Large advertisement for REDE FERROVIÁRIA FEDERAL S.A. featuring a £127,000,000 export finance facility. Includes logos for THE FEDERAL REPUBLIC OF BRAZIL and N.M. Rothschild & Sons Limited. Text describes the financing of the Ferrovía do Aço ("Steel Line") and lists various banks providing the facility.

WALL STREET OVERSOLD MARKETS FOREIGN EXCHANGES New Year's slide continued: off 9.81 Pound improves

BY OUR WALL STREET CORRESPONDENT

THE NEW YEAR'S slide continued on Wall Street today, when many traders were awaiting President Carter to outline his strategy for economic recovery. Late in the afternoon there was a report that Carter may delay his outline, which had been expected this week.

The Dow Jones Industrial Average dipped a further 9.81 to 978.06 and the NYSE All Common Index declined another 35 cents to 536.56, while two-outside gains by a more than two-to-one majority. Trading volume further expanded 2.7m. shares to 23.01m.

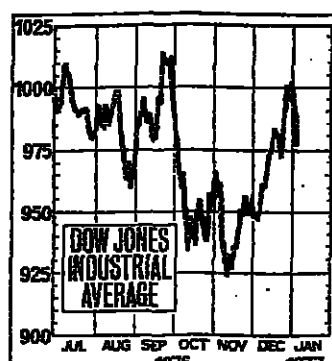
Elstr. Industries shed \$1 to \$87.40, while Digital Equipment fell \$1.25 to \$200.00. Sears, Roebuck lost \$1 to \$66.40, while Digital Equipment fell \$1.25 to \$200.00.

Higher late December car sales. Chrysler dipped \$1 to \$20.75, while Ford held unchanged at \$30.75, although they also came in with higher car sales.

E. F. Johnson fell \$2 to \$14.00, the company said it knew of no reason for the stock's weakness. Masco gave way \$1 to \$22.25 and following bearish comment. Fleetwood Enterprises, Sherwin-Williams, Phillips Industries and Skyline, also mentioned in the report, surrendered fractions.

Great Atlantic and Pacific Tea lost \$1 to \$13.25. The American SE Market Value Index rose 0.94 to 109.66, while the trading volume sharply expanded by 1.35m. shares to 2.92m.

Canada lower All major indices pointed lower



as share prices retreated along a broad front in light trading on Canadian Stock Markets yesterday morning. Declines outpaced advances on a two-to-one margin.

Non-West Development dipped \$1 to \$12.25 while Canon at \$22.25 and Vesting Investments at \$18.25 each lost \$1. Enco also declined \$1 to \$8. Bell Canada was \$1 off at \$47.

Chemicals and Holdings. In mostly lower Internationals, U.S. stocks weakened. South African stocks also gave ground, Dutch and German stocks declined, but French issues firmed.

GERMANY—Mainly following sharp rises on Monday and Tuesday. In Motors VW lost DM3 to DM135.30.

Swearing came back DM3.10 to DM22.20. In Department Stores Karstadt dropped DM6.3 to DM107.00.

Public Bonds put on mostly up to DM10.50. The Republic of Austria sold DM7.7m nominal of stock.

SWITZERLAND—Markets were irregular with some institutional buying at lower levels reducing earlier losses.

AMSTERDAM—Prices fell back on profit-taking, and some shares finished with sizeable losses. Hal and Fokker were isolated gains among otherwise weaker Shippings, Industrials and some insurance stocks.

BRUSSELS—Mixed to lower in active trading. Electricals and Utilities were little changed, non-Ferrous Metals mixed, as were

dealings. Banks were slightly lower. VIENNA—Irregular. Construction issues generally firmed.

OSLO—Shippings and Insurance were quiet, Banking slightly mixed, while Industrials were easier.

STOCKHOLM—Mixed in selectively active trading. Fire's rise on unconfirmed reports of a Leopold Pirelli Press conference expected shortly.

INSURANCES were firmer, as were Financials. Bonds were irregularly active.

JOHANNESBURG—Gold shares were slightly off the top toward the close on small bouts of profit-taking.

HONG KONG—Higher in increased trading. Hong Kong Bank was up 10 cents to HK\$20.00.

London 10 cents to SHK\$3.75, Swire Pacific "A" 5 cents to SHK\$8.20, Jardine 10 cents to SHK\$10.70.

TOKYO—Prices eased after rising for five consecutive sessions. Volume 27m. (25m.) shares.

Electricals, Motors and other Blue Chips led widely. Honda Motor, up Y24 to Y51, and Matsushita Electric, down Y26 to Y46, led the decline on selling mainly by Foreign investors.

Nippon Gakki fell Y35 to Y75 and Showa Oil Y19 to Y28. But some interest rallied towards the close on "cheap" buying by investment trusts and institutional investors.

AUSTRALIA—Generally higher on increased support. Australian Wool, up 1.5 to 2.15, and Peko-Waldred rose 15 cents to \$4.30, while Kathleen and Queensland Mines each put on 5 cents.

Santos moved up 10 cents to \$4.15 and CRA 3 cents to \$3.85. BHP further improved 10 cents to \$4.72 and CSR advanced 12 cents to \$4.32.

NOTES: Overseas prices shown below are for London unless otherwise stated. All prices are in U.S. dollars unless otherwise stated. All prices are in U.S. dollars unless otherwise stated.

GOLD MARKET

Gold prices... London... New York... Amsterdam... Zurich...

FOREIGN EXCHANGES

Table with columns for City, Bank, and Rate. Includes entries for New York, London, Amsterdam, Zurich, etc.

SPECIAL DRAWING RIGHTS RATES

Table with columns for Country, Jan 5, and Jan 6. Includes entries for U.S. dollar, Swiss franc, etc.

EXCHANGE CROSS-RATES

Table with columns for City, Jan 5, and Jan 6. Includes entries for Frankfurt, New York, Paris, etc.

EURO-CURRENCY INTEREST RATES

Table with columns for Term, Jan 5, and Jan 6. Includes entries for 3-month, 6-month, 12-month, etc.

FORWARD RATES

Table with columns for City, Jan 5, and Jan 6. Includes entries for New York, London, etc.

INDICES

Table with columns for Index, Jan 5, Jan 6, and % Change. Includes entries for Dow Jones, NYSE, etc.

STANDARDS AND POOLS

Table with columns for Index, Jan 5, Jan 6, and % Change. Includes entries for Industrial, Composite, etc.

N.Y.S.E. ALL COMMON

Table with columns for Index, Jan 5, Jan 6, and % Change. Includes entries for Dow Jones, NYSE, etc.

MONTREAL

Table with columns for Index, Jan 5, Jan 6, and % Change. Includes entries for Industrial, Composite, etc.

TORONTO

Table with columns for Index, Jan 5, Jan 6, and % Change. Includes entries for Industrial, Composite, etc.

JOHANNESBURG

Table with columns for Index, Jan 5, Jan 6, and % Change. Includes entries for Industrial, Composite, etc.

AMSTERDAM

Table with columns for Index, Jan 5, Jan 6, and % Change. Includes entries for Industrial, Composite, etc.

BRUSSELS

Table with columns for Index, Jan 5, Jan 6, and % Change. Includes entries for Industrial, Composite, etc.

HONG KONG

Table with columns for Index, Jan 5, Jan 6, and % Change. Includes entries for Industrial, Composite, etc.

TOKYO

Table with columns for Index, Jan 5, Jan 6, and % Change. Includes entries for Industrial, Composite, etc.

OSLO

Table with columns for Index, Jan 5, Jan 6, and % Change. Includes entries for Industrial, Composite, etc.

STOCKHOLM

Table with columns for Index, Jan 5, Jan 6, and % Change. Includes entries for Industrial, Composite, etc.

VIENNA

Table with columns for Index, Jan 5, Jan 6, and % Change. Includes entries for Industrial, Composite, etc.

OVERSEAS SHARE INFORMATION

Large table with multiple columns for Stock, Jan 5, Jan 6, and % Change. Includes entries for various international companies like Anglo American, Anglo Siam, etc.

FINANCIAL TIMES SURVEY

Thursday January 6 1977

TUNISIA

In recent years Tunisia has seen unprecedented economic growth. But there has also been an increase in social and political problems, and relations with its immediate neighbour states have been somewhat strained.

This Survey was written by Paul Betts and Tania Matthews

They also called for the release of all political prisoners, and for freedom of the Press.

The regime, however, still regards its mission as one of directing the country from above through a strong and stable Government able to tackle the problems of underdevelopment. "We are not ready for a multi-party system," the Prime Minister said. Instead the Government has opted for a policy of development embodied in the principles of "Bourguibisme"—a pragmatic and moderate approach to modernisation characterised by the President's philosophy of flexibility and opportunism. It was this policy that after a brief excursion into socialism in the late 1960s prompted the Government to encourage both domestic and foreign capital investment. Moreover, it welcomes financial and technical assistance from any source, including the Soviet Union and China.

In many ways, the country's moderate domestic policies, which have seen the rise of a relatively successful system of co-existence between private and State sectors, is reflected in Tunisia's foreign policy traditionally dictated by a concern to avoid direct conflict and concentrate instead on collaboration and the material advantages to be gained from external relations—hence the regime's pro-Western stance, which to a great extent is also dictated by President Bourguiba's own preferences.

Union

In Middle East affairs, Tunisia has steered a moderate course, and has consistently pressed for conciliation between the warring factions. And its idea of a union of Mediterranean states was conceived not merely as a strategic defence plan, but also because of the economic implications of strengthening Maghreb ties with the Common Market.

Yet it is with its two Maghreb neighbours, Algeria and Libya, that relations have taken a turn for the worse. Politically and ideologically, Tunisia has little in common with these two countries. This has been at the root of the persistent friction between the three neighbouring Arab states. In the case of Algeria, asking himself what happens relations were soured last year after President Bourguiba, when President Bourguiba came in open support of Morocco's claims on the Western Sahara, current development programme, which is now moving into its decisive stage.

BASIC STATISTICS	
Area	63,378 sq. miles
Population	5.7m. (1975)
GNP	1,536.1 TD m.
Per capita	272 TD (1974)
TRADE (1975)	
Imports cif	572.82 TD m.
Exports	345.58 TD m.
Imports from U.K.	26,729 £000's
Exports to U.K.	2,968 £000's
Currency	£1=0.685 Dinars

proposed merger of the two countries collapsed in January, 1974.

Recently, however, relations have been improving and diplomatic ties between the two countries are being rebuilt. Furthermore, Libya has now agreed to take the dispute over the demarcation of the Continental Shelf in the Gulf of Gabes, where important offshore oil and gas deposits have been found, to the International Court of Justice at The Hague. The two countries have been arguing for nearly ten years over this issue—Tunisia being particularly keen to secure its share of the oil reserves which would boost the country's annual production of 4.6m. tons by an estimated 10m. tons a year, if not more.

According to diplomats in Tunis, Libya's conciliatory gesture could have been the result of pressure from President Houari Boumediene of Algeria who, facing internal economic problems at home at the same time as feeling increasingly isolated, is thought to be seeking a rapprochement with his neighbours. President Boumediene in fact visited Tripoli at the end of August shortly before Libya announced its intentions to take the demarcation dispute to The Hague.

Nevertheless, the improvement of relations with Libya, the process of reform the country is now undergoing and indications that a recovery of the country's principal exports is taking place are interpreted as signs auguring well for the future of Tunisia. But a degree of apprehension persists. For the persistent friction between the three neighbouring Arab states, Tunisia is asked, asking himself what happens relations were soured last year after President Bourguiba, when President Bourguiba came in open support of Morocco's claims on the Western Sahara, current development programme, which is now moving into its decisive stage.

The illness of growth

AT A time when relations between the countries of the Maghreb have taken a turn for the worse, a Pentagon announcement that it plans to sell a stage of our development, and \$58m. Chapparral air defence missiles system to Tunisia comes as no great surprise. It is an indication that Tunisia, whose armed forces, totalling between 24,000 and 30,000, are among the smallest in Africa, and whose defence allocation accounts for only 1.5 per cent. of gross domestic product, is passing through one of its most unsettled periods since independence 20 years ago. For the Tunisia of President Habib Bourguiba, whose regime has sought the country a degree of stability and economic development unknown elsewhere on the northern and eastern shores of the Mediterranean, is facing a rising level of social and political unrest at home at the same time as it is feeling increasingly threatened by its much larger, richer and more militant neighbours—Algeria and Libya.

In many ways Tunisia is suffering from what the planners call "the illness of growth." During the last 20 years the country's GDP has risen in real terms from \$1.385m. in 1956 to an estimated \$11.2bn. in 1976. The growth rate for the past four years has risen between 6.2 and 6.4 per cent. And according to the UN, Tunisia was among the five African nations where GDP in 1975 exceeded \$500 per capita. In 1976 it was expected to rise to \$800 per capita and overtake neighbouring Algeria.

M. Hedi Nouria, the 64-year-old Prime Minister who has been designated as President Bourguiba's successor, says that whereas in the 1960s consumption remained practically stationary and increased at the rate of 1.5 per cent. in 1976, it is expected to rise to 15.5 per cent. in 1977.

than 8 per cent. a year. M. Nouria also refers to a consumer survey that revealed that 27 per cent. of the population in 1966 were spending between less than TD50 per head a year, or TD250 for a family of five. In 1975 this percentage was reduced in real terms to 16. At the other end of the scale, 12 per cent. of the population spent TD400 per head a year in 1966, or TD2,000 for a family of five. This figure has now dropped to 4.9 per cent. In other words, M. Nouria explains, there was now a more balanced distribution of wealth in the country. But, he added, Tunisia was beginning to suffer from the diseases of consumer societies.

"We must be careful at this stage of our development, and we must cut back on this consumption rate. And we are urging people to save more during the next Plan," the Prime Minister says. This appeal reflects the perilous state to a certain extent, has been the cause of much of the current industrial unrest in the country. Last year about 700 miners went on a two-day strike at the Djerissa mines in central Tunisia, protesting against low wages and "deplorable working conditions." Railway workers, postal employees, bus drivers and bakers also held strikes in May demanding better pay and conditions. And although the unions are effectively committed to support the Government and are an integral part of the country's only political party—the Destourian Socialist Party—there have been an increasing number of unofficial strikes or "grèves sauvages" which have usually been followed by the arrest of the ringleaders.

The economy has been seriously affected by the decline in demand for two of the country's major export commodities—olive oil and phosphates—and by the recession in Western Europe, Tunisia's main trading partner. The need for foreign financing has therefore grown, and during the new plan (officially called the Fifth Plan) it will represent about 28.5 per cent. of the total TD4.2bn. The Government intends to invest during the course of the plan Servicing of the foreign debt, which dropped from 18.3 per cent. of GDP in 1973 to 8.5 per cent. in 1976, is expected to increase to 15.5 per cent. in 1977.

The Government also continues to face the dual problem of a fast growing population and acute unemployment. Officially about 15 per cent. of the registered workforce is employed, but this does not take into account factors such as seasonal employment (especially in agriculture, which accounts for more than 60 per cent. of the active population) and temporary emigration. The majority of those unemployed are under 25, many seeking jobs for the first time. And although the Government is creating at present 42,000 new jobs a year by concentrating on short-term productive investments, it will have to create 60,000 new jobs to satisfy this year's demand. This, in turn, has engendered a mood of frustration among students, who see the limitations of their opportunities. A manifestation of this disenchantment can be witnessed on any day at any pavement cafe, where youths mope around for hours with seemingly nothing to do.

1981—the year the Plan ends. Ironically, the economic achievements of recent years have meant that Western aid to Tunisia, in particular from the United States, has diminished and been diverted to other countries deemed in greater need. And although aid from Arab countries, mainly from the Gulf states, is beginning to trickle in, Tunisia has been forced to look towards the international finance market.

Pact

Nor has the cooperation and development agreement signed by Tunisia and the European Community last year been an altogether happy arrangement. For although the EEC has granted Tunisia a financial envelope worth \$5m. units of account (or TD38m.), restrictions on olive oil exports have to a large extent been maintained. "We have always said that the Common Market's agricultural policy has been negotiable, at least as regards olive oil," the Prime Minister says. "We would like to see the Community take a new look at the problem for there is a large degree of protectionism towards vegetable oils which the Community does not produce. Geographically speaking, Tunisia is the southern flank of Europe. It therefore does not seem impertinent to ask for favourable terms for our olive oil."

The Government also continues to face the dual problem of a fast growing population and acute unemployment. Officially about 15 per cent. of the registered workforce is employed, but this does not take into account factors such as seasonal employment (especially in agriculture, which accounts for more than 60 per cent. of the active population) and temporary emigration. The majority of those unemployed are under 25, many seeking jobs for the first time. And although the Government is creating at present 42,000 new jobs a year by concentrating on short-term productive investments, it will have to create 60,000 new jobs to satisfy this year's demand. This, in turn, has engendered a mood of frustration among students, who see the limitations of their opportunities. A manifestation of this disenchantment can be witnessed on any day at any pavement cafe, where youths mope around for hours with seemingly nothing to do.

and order is kept in universities—remains. And although officials say that greater care will be taken in their selection the presence of surveillants could provoke new disturbances during the current academic year. Reforms are also taking place inside the party itself. Although President Bourguiba, who at 73 is probably the longest ruling Arab head of state, is still at the helm, there are signs that he is gradually easing himself out of the day-to-day running of the country. Last October, on the advice of his doctors, President Bourguiba left for Geneva for medical treatment and a period of rest. The President's health has been the subject of some concern for several years now. He has cancelled several official engagements on account of his ill health, and he has been limiting himself to ceremonial duties and tours of inspection in the provinces, which are given wide coverage in the Press and on television. His public pronouncements have also become rarer and his Ministers appear to enjoy a greater measure of autonomy than they did in the past.

Although strictly speaking there is no organised opposition to the regime, there is a social-democratic current that would like to see the liberalisation of the regime. Last June a group of some 100 Tunisian intellectuals signed a petition asking for an economic and social policy which would put to a stop "the grabbing of fortunes which binds its interests to foreign capital"—a reference to an elite that is closely associated with the President's entourage.

A growing number of students are also questioning the Government's policy of encouraging foreign investment by offering attractive financial incentives and stressing the availability of cheap labour. In September, Education Minister, M. Mohamed Mzali launched a programme for the reform of the education system, which has been well received and has eased the student tension for the moment. The reforms include the decentralisation of higher education in order to avoid the concentration of students in the capital region as well as providing eventually the required technicians, engineers and trained management staff for the development of the regions. One of the most controversial aspects of the old system, however, the presence of surveillants to ensure discipline

PORT EL KANTAOUI

a new Tunisian village.... a gateway to historical Tunisia

CONCEPTION

This is the first fully integrated tourist resort in Tunisia. It is based on 20 years of experience in tourism and has been finally conceived after an extensive and thorough study of the good and bad points of other Mediterranean and Atlantic resorts.

It therefore avoids the concrete and glass jungle of high-rise apartment blocks and hotels, the resultant over-crowding and half-finished urbanising that upsets first arrivals and concentrates entirely on the completion of the first stages of its plan before welcoming any tourist or any yacht.

Instead of using fully the unique and gracious line of arabo-moorish architecture and landscaping, the SOCIETE D'ETUDES ET DE DEVELOPPEMENT DE SOUSSE-NORD are creating a spacious and elegant resort amidst olive and palm-groves next to the brilliant contrasts of Tunisia's Mediterranean sea.

GOLF-COURSE

This is an international 18 hole, 7080 yards, Par 72 championship course, designed by Harris, Thomson, Wolveridge and Bream. It takes fullest advantage of a beautiful sloping terrain to produce a unique landscaped course, with excellent club-house and facilities.

YACHT MARINA

Nearing completion and capable of taking vessels of up to 40 metres overall. There are 340 berths, water displacement is 4 metres maximum, the slipway is 5 m 40 wide.

Lifting equipment available for vessels up to 20 metres overall. Fully equipped and ultra-modern marina facilities. Mooring fees, wintering and repair charges are very reasonable and at very competitive rates.

CHILDREN

A superb adventure playground for all ages of children is being built. It will be run by suitably trained personnel. Competitions and other planned events will ensure that the children enjoy themselves just as much as their parents if they take advantage of these facilities, while for the very young, there will be playgroups run by properly qualified staff.

RECREATIONAL FACILITIES

There is an extensive beach-club, with a swimming-pool, solarium, restaurant, night-club and bars. Sporting facilities include a tennis-club, horse-riding, gymnasium, skuba diving, water-skiing, yachting and golf.

COMMERCIAL CENTRE

This consists of over thirty shops, boutiques, travel-agencies, post office, banks, supermarket, car-hire firms as well as the usual civic agencies, fire-station, police and full medical services.

APARTMENTS AND VILLAS

The first stage of the development will consist of over 200 studios and apartments, built around the Marina-harbour, for sale at prices around 700 US dollars per sq. metre and ranging in size from 32 to 75 sq. metres. There will then be put on sale over one 100 plots adjacent to the fairways of the golf-course ranging from 800 to 2000 sq. metres on which luxury villas will be built. Given the extensive green-belt zoning of this development, the final visual result will be that of a well landscaped and spacious park. There is no shortage of domestic help in nearby Soussa nor is there any water shortage for those who may wish to install a swimming-pool.

Non-residents who purchase their property in foreign exchange will be allowed to transfer the returns on rental-fees or re-sales anywhere in the world. An estate agency is being set up to handle the rental and re-sale business.

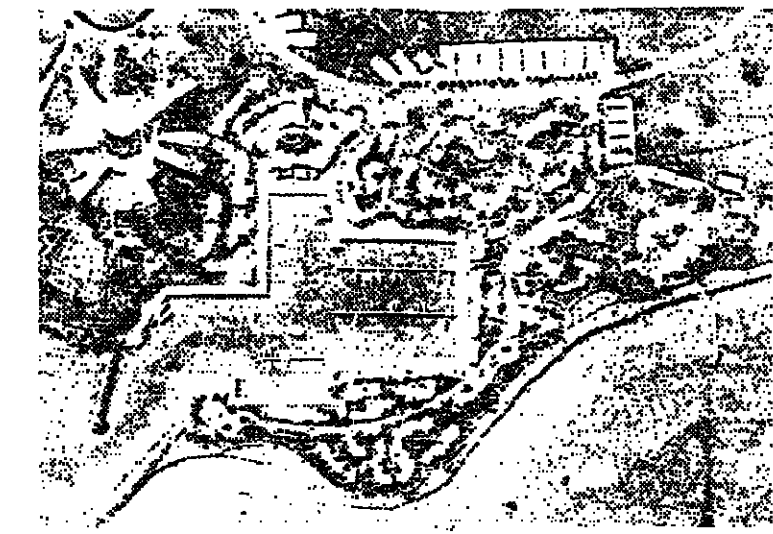
HOTELS, BEACH-CLUB, CASINO

A 4-star Deluxe Hotel under the management of the TRUST HOUSES FORTE GROUP LTD will open in March 1978. It has 250 rooms, many suites, a presidential suite and is fully air-conditioned and equipped with all the usual amenities..... swimming-pool, bars, night-club. Other hotels will be opened in due course and will be offered to international management; a casino-hotel is also being planned which will also be open to tender. The beach-club which is excellently equipped will be under separate management.

FOR FURTHER INFORMATION, write to:

SOCIETE D'ETUDES ET DE DEVELOPPEMENT SOUSSE-NORD, 49, AVENUE HABIB BOURGUIBA, TUNIS. TEL: 244.218 - 249.047 - 254.193 TELEX: 12541 Susnor.

Situated 4 kms north of Soussa on the Gulf of Hammamet. Excellent year round climate. Under two or three hours of flying time from principal European cities. Two hours by car from Tunis and half-an-hour from Monastir airports.



مرسى القنطاوي
PORT EL KANTAOUI

TUNISIA II

Turning round the economy

THE TUNISIAN economy has policies of State intervention reached a major turning point and collectivisation earned him in its evolution. After the enemies on the Right and on experiments in economic liberalism during the years immediately following independence and a decade in which the economy was seriously dislocated by an ambitious and too hasty programme of co-operatives, bad harvests, a limited resource base and dependence on a small domestic market, the Government is embarking this month on its fifth Development Plan with the object of ensuring a sustained rapid growth rate, self-sufficiency in food production, and stable employment for all by 1981. By that year, according to the Prime Minister, M. Hedi Nouria, Tunisia will be poised for its economic take-off.

M. Nouria, formerly Governor of the Tunisian Central Bank, has been in overall charge of the country's economy since the fall in 1969 of M. Ahmed Ben Salah—the powerful Finance and Planning Minister whose

land tenure and the continuing rural migration to the cities. After the Ben Salah era, however, when the focus was heavily placed on agriculture as the basis of capital accumulation, the emphasis shifted on export promotion and on short-term productive investments, particularly in manufacturing industry. To encourage the development of exports—particularly in textiles and fertilisers—and industrial employment in the private sector, the Government introduced in 1972 a system of special incentives and created the institutional framework—the Agence de Promotion des Investissements (API)—to assist both domestic and foreign export-oriented ventures. The aim was also to diversify investment outside Tunis and other major urban centres like Bizerte, Sousse and Sfax to less privileged areas. Eventually the Government hopes the private sector will turn into the major source of industrial growth.

The principal incentive offered to Tunisian investors, explained M. Slaheddine Pacha, joint director of API, were long-term and low-interest credit facilities from the Government. These credits could represent up to 30 per cent of the total capital necessary to set up a project.

Exemptions

As regards foreign manufacturing industries producing exclusively for export, under the so-called Law April 1972 foreign companies benefit from a ten-year exemption from corporation tax, with a 10 per cent reduction in tax payments for another ten years. For 20 years they pay no tax on the rental value of premises, no customs duty on capital goods, tools, spare parts, raw materials, and any other goods required for export, and there are no restrictions on the repatriation of income. Payment of dividends to non-resident shareholders is also exempt from Tunisian taxation.

Last year 762 Tunisian projects of varying size and cost were set up with the backing of API. Of the 70,000 new jobs created by industry during the last Four Year Plan, he added, many were the result of private Tunisian projects which involved a total investment of some TD200m. Foreign export-oriented ventures have also flourished. Attracted by the

cheap and relatively well qualified labour force, 280 foreign projects, including joint ventures with Tunisians, have been set up under the April 1972 Law representing a total investment of TD114m. The biggest source of capital—TD32.3m.—has been West Germany. Britain, on the other hand, has contributed only TD5.3m. The bulk of investment has been in textile and leather industries, accounting for 199 of the 280 projects set up, followed by mechanical and electronics industries, cement, and food processing, including materials, ceramics and glass.

After the restructuring of the economy, the country in the early seventies began registering average real growth rates of around 10 per cent a year. It was a boom period for Tunisia. The Government's policy of social advancement through liberal economic development generated a mood of confidence which in turn was boosted by the spectacular growth in the tourist business, the surge in oil and phosphate prices, and a series of good harvests.

This confidence was expressed most dramatically in the rise in the volume of national savings, which during the last 10 years have multiplied nearly seven times from TD61.9m. in 1967 to TD429m. in 1976. Of the TD1,500m. invested in the course of the Fourth Plan, 83.7 per cent was derived from national savings and only 16.7 per cent from foreign sources. And in spite of a rising import bill, the country, through increased export earnings and invisibles such as tourism and emigrants' remittances, registered a series of balance of payments surpluses.

There followed, however, the slump in phosphate demand, the fall in oil prices, and the marked deterioration of the rates of exchange on the international market. In 1975, in spite of continuing good harvests, the country registered a balance of payments deficit of TD11.1m., and a record trade deficit of TD230m. For 1975 the payments deficit is expected to be TD15m. and the trade deficit TD239m.

"As our principal customers and suppliers are in Western Europe," the Prime Minister explained, "we have had to face up to all the upheavals that the

European economy has recently experienced, particularly as regards the cost of capital equipment, energy, raw materials and of course inflation." The Government, however, had managed to hold back the rise in the prices of essential commodities like bread and sugar through a programme of heavy subsidies, he claimed.

Unrest

But the significant increase in industrial unrest last year, with workers in both public and private sector industries going on strike demanding better conditions and higher pay, reflects the growing concern of many Tunisians, who have come to expect a degree of well-being little known elsewhere in the Maghreb, over the present economic policies of the Government.

Although the rate of inflation is officially put at five per cent a year, many Tunisians say that it would be more realistic to think in terms of between 14 and 25 per cent a year. Unemployment and under-employment are both widespread. And a question mark is beginning to hang over the concept of the April 1972 Law since the attractive incentives offered to foreign investors effectively mean that for 20 years Tunisia will receive very little in return from the new export-oriented industries being set up at present throughout the country. Tax exemptions and profit repatriation, it is claimed, will bring in no significant Government revenue and is unlikely to create local sources of capital.

On the other hand, according to U.S. banking sources, foreign businessmen, in spite of all the incentives offered to them, are frustrated by Tunisian officialdom which is often unwilling to take responsibility for decisions—a sign of the so-called negative attitude of the country's fast growing bureaucracy.

The Government regards the present difficulties only as a minor check in its long-term objectives. Its intervention last year to support the country's phosphate-related chemical industry by buying the foreign interests in a fertiliser plant at Sfax, where production had been halted because of declining demand, is one example of the Government's decision not to change course at this stage of the country's development.

The Government has therefore decided to invest during its fifth Plan TD4.2bn., a significant increase on the last Plan's total of TD1.578m. This increase, the Government envisages, will secure the necessary capital base for the take-off of the country's economy.

By 1981, it hopes the country will have achieved economic self-reliance, particularly in the agricultural sector on which the Government pins its long-term objectives. "Agriculture," it says, "has always been at the centre of Tunisian economic policy, and agricultural production remains the primary condition to any radical economic or social change. It is the only way to ensure a continuous food supply to the ever-growing urban areas; it partially solves



the unemployment problem; it enlarges the internal market and helps reach a balance of payment equilibrium." In the new Plan the Government has allocated some TD500m. for agriculture, of which half will be spent on development of agricultural infrastructure. Among these projects conceived back in 1969, the first stage of the project, programmed to start in 1983, is expected to cost TD500m. The overall project scheduled to be completed by the 1990s.

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 Agricultural quality grade 65/68 % B.P.L.
 Loading Port at la Gouletta :

Phone : 275-154
 Telegraphic Address : Fosfat la Gouletta

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- 70 % for export to 20 countries of Europe, Asia, South-America
- 30 % for home deliveries (fertilizer industry)
- Planned production for 1980 : 7 millions metric tons
- 1976-1980 Investments : 322 Millions US \$

Promotes-Tunis

Better trade outlook

ALTHOUGH ITALY and France remain Tunisia's most important European trading partners, the agreement with the European Economic Community signed earlier this year is expected to lead to much wider trade links in future.

The trade provisions of the agreement, relating most significantly to the export of olive oil to the Community, came into force on July 1 last, but has much wider implications for Mediterranean trade. The agreement was the first signed with an Arab country in the context of the Community's trade policy for the area.

This policy is aimed at achieving a series of preferential co-operation agreements with the countries of the Mediterranean basin, leading in the long-term to a free trade area stretching as far as Damascus. The EEC Commission believes that policy constitutes an essential pillar in co-operation between Europe and the developing countries, just as the Convention of Lomé has brought together the EEC countries and the 46 African, Caribbean and Pacific States.

The most important element in the agreement is regarded as the provision of financial aid totalling 95m. units of account (around 950m.) over the next five years, channelled through the European Investment Bank in the form of loans. It is hoped by the Community that this will also form the basis for triangular co-operation with Arab oil producers.

This is followed by the agreement on wine and olive oil, the latter accounting for half of Tunisia's agricultural employment. Exporters have been granted a reduction in the levy of .5 units of account per 100 kg. and an additional reduction of 20 units of account per 100 kg. on condition that the Tunisian authorities apply an export tax of the equivalent amount.

So far as agricultural imports in general from Tunisia are concerned, tariff concessions in the agreement cover between 80 and 90 per cent of exports, compared with only 50 per cent in the earlier agreement signed in 1969. For raw materials and industrial products, the Nine have granted Tunisian exports free access into the Community market, exempting them from customs duties and quantitative restrictions. The two exceptions to this are refined petroleum products and cork, on which temporary ceilings were imposed.

Although the direct loans encompassed by the agreement cannot be regarded as large, they are designed to have a spill-over effect on other external financing for development projects in Tunisia. The most notable of third party participants are expected to be the Arab oil producing countries, as Tunisia works to diversify the nature of its economy, particularly in the modernisation of its agricultural sector.

It is anticipated in the oil sector that co-operation of this nature will favour the participation of Community companies in research programmes, production, processing of energy resources and the execution of long-term supply contracts for petroleum products. Finally, the agreement offers ways and road improvement is

important safeguards and aid to Tunisian workers employed in the EEC. From Britain's point of view, Tunisia is an increasingly attractive market, with the U.K. share of that country's trade rising to about 6 per cent last year compared to around 3 per cent in previous years. In 1974 Britain exported goods worth £11.5m. to Tunisia and imported goods worth £6.2m., but last year exports rose by 105 per cent to £27m. and imports dropped by about 50 per cent to around £3m. By July this year U.K. goods worth £11.5m. had been exported (trading at about £20m. for the year) and products worth £1.7m. imported. However, figures of this nature can easily be distorted by one large order being delivered.

These figures underline the need for export-based industries in Tunisia, which are being developed under long-term investment plans. These include incentives to encourage private initiative in commerce and industry and the creation of jobs, mainly in the industrial sector. In the past British participation in industrialisation has been small, and apart from certain types of agricultural and public works equipment, knowledge of British goods remains limited.

Prospects

According to the Department of Trade, sales prospects are nevertheless good. Potential is reckoned best for suppliers of mining and agricultural equipment, chemicals for agriculture and the textile industry, electrical equipment and, to a lesser extent, capital equipment for oil and natural gas exploration, electricity distribution and certain smaller industries such as textiles. In addition, there is a requirement for educational and medical equipment and scientific instruments.

With the signing of the EEC agreement, fewer projects will be financed by tied aid, as in the past, but project financing from the oil producing States and various development funds should create adequate resources. The International Bank for Reconstruction and Development will continue to provide aid and Tunisia is expected to seek loans at commercial rates from the international money markets.

In the agricultural sector, more than TD20m. are to be committed to integrated rural development projects in central Tunisia, TD17m. to fishing ports and about TD50m. to the construction of the Sidi Saad and Kl Haouab dams.

The Tunisian electricity generating board (STEG) expects to construct a power station at Sousse, probably in two stages of 150MW each. The cost will be TD60-70m. at 1975 prices. Another TD20-30m. is expected to be spent on improvements to existing power stations, such as at Gannouché in southern Tunisia and a power station on the Sadi Salem dam of 20-30MW, according to the Department of Trade.

More than TD30m. are to be spent by the State-owned Phosphate Mining Company on the development of the Kef Echfaier phosphate mine near Metlaoui, and in textiles the State textile company SOGIFEX has plans to increase its weaving and spinning operations and will be investing at least TD20m. in petroleum products. Finally, the agreement offers ways and road improvement is

also of high priority and will also provide opportunities for contractors. In the private sector there is also considered to be an increasing number of opportunities, particularly in light industries such as textiles, food processing, shoe manufacture and electro-mechanical assembly. These activities have been given new impetus by the 1972 amendment to laws relating to foreign investment, which has encouraged the implementation of export-oriented industries in Tunisia. The main attractions are cheaper labour costs and tax concessions. Since the new law was introduced projects of this kind involving investment of more than \$265m. have been set up, with West Germany the most active participant, followed by joint ventures between Tunisian and Italian companies. The

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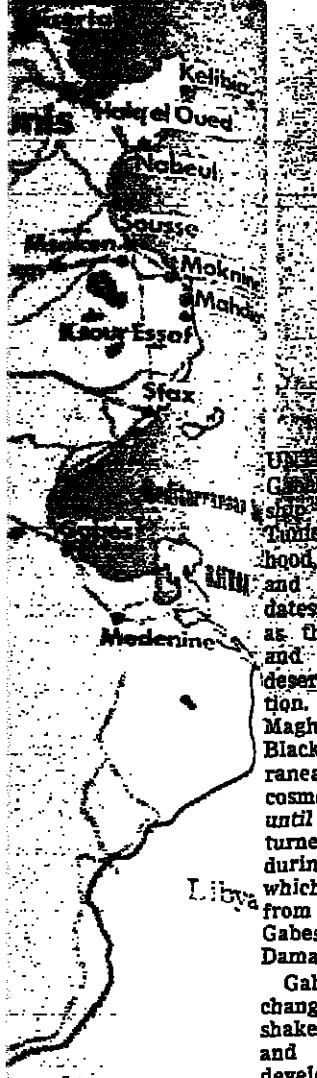
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TUNISIA III

Changing to meet the future



A FEW years ago, Ghabès was a steady oasis town on the southern shore of Tunisia that stretched a livelihood from a little commerce and the production of a few dates. It was held, however, as the gateway to the desert and as the only oasis on desert coast, a privileged position. At the crossroads of the Maghreb and the Machrek, Black Africa and the Mediterranean, it developed a certain cosmopolitan quality. Indeed, until the whole region was turned into a military zone during the French Protectorate which effectively sealed it off from the outside world, Ghabès was known as "Little Damascus".

Ghabès is now undergoing change. It is attempting to shake itself from its stagnation and the shackles of underdevelopment. It is doing so not so much by choice but as a result of being earmarked by Tunisia's planners for a crash programme of industrialisation and modernisation. According to the Governor of Ghabès, M. Abderrahim Zouari, \$220m. has already been invested in industrial development in the region with \$90m. in the pipeline. And along the coast a few miles north of Ghabès between two small date plantations where not so long ago there was no electric light, some 1,400 hectares of rocky desert is being cleared at Ghabouch to accommodate both heavy and light industries in the South's first industrial zone.

Selection

It is perhaps not surprising that Ghabès was selected for this purpose. Although it complies with the Government's policy of regional development under the new development Plan starting this month, the proximity of Ghabès to the potentially rich offshore reserves of oil and natural gas under the Gulf of Ghabès and of the continental shelf disputed with Libya could make it instrumental in the success of the country's efforts at economic evolution. And it is not only oil and gas: the Government is looking anxiously towards Ghabès to ensure it draws the maximum return from the country's other major mineral resource—phosphates.

So far, however, there is little doubt that oil has been a disappointment for Tunisia. The country's output of 4.8m. tons a year accounts for only about 0.5 per cent. of Middle East production, and in spite of intensive onshore and offshore exploration since the discovery of oil in neighbouring Algeria, Tunisia, until last year, drew the bulk of its annual production from El Borma—the field in the Algerian border where the first find was made in 1964.

El Borma, where recoverable reserves were estimated to be 33m. tons in 1971, went into production 10 years ago. In 1972 output reached an annual peak of 3.6m. tons. Since then the field has suffered from loss of pressure and in spite of efforts to overcome the problem, its annual output ropped in 1975 to 1.7m. tons. A \$25m. loan has now been granted by the Chase Manhattan Bank to finance fanthattar injection techniques in an attempt to revive faltering production.

Some encouragement has come from the development of the Ashtratt offshore field in the Gulf of Ghabès. Production at Ashtratt—a concession held by Aquitaine unisie and Elf/Erap—began in December, 1973. By the end of 1975 the field was producing 2.3m. tons annually and thus balanced out the fall in El Borma's output. And following the opening of another field, the Isis, well on the island of Kerkennah on the northern edge of the Gulf of Ghabès, total Tunisian production, according to official estimates, could reach 6m. tons a year in 1977.

The importance of oil to the Tunisian economy can be gauged from the fact that in 1975 it represented 42 per cent. of the total value of the country's exports and, with tourism, was the country's major foreign currency earner. But although the volume of oil exports rose as much as 27.7 per cent. on a previous year as a result of increased production at the Ashtratt field, because of the fall of oil prices, actual earnings in 1975 rose by only 5.6 per cent. TD144.6m. from TD136.9m. in 1974. And these figures do not take into account the 34.5m. Tunisian spent last year to buy just over 1m. tons heavier Middle East crude to meet the needs of the country's refinery at Bizerte which supplies the domestic market. Consequently, in spite of the sharp field, plans for a new refinery in the industrial zone of Ghabouch have been

postponed indefinitely. The refinery was to have had a capacity of 6m. tons a year. Instead, the Government is now proposing to extend the capacity of the Bizerte refinery from 1.5m. tons a year to 4m. tons. Studies for a proposed extension of the refinery have already been carried out by the State oil concern, ETAP.

The Government, according to well placed sources, is waiting to see whether, after a decade of haggling, the dispute with Libya over the demarcation of the continental shelf in the Gulf of Ghabès can be resolved before it enters into a programme of heavy investment in the hydrocarbon sector. Although there are no official estimates of the volume of oil under the continental shelf, recent exploration work conducted by Libya suggests that deposits are substantial enough, a diplomat in Tunis said, to increase Tunisia's total annual production by more than 10m. tons. And although there are signs that relations between Tunisia and Libya are improving following Libya's agreement to take the dispute to the International Court of Justice in The Hague and to continue consultations on the exploration of the continental shelf, there is still widespread scepticism over the successful resolution of the dispute.

M. Tabar Bekkhouja, the Minister of the Interior, who has been conducting negotiations on behalf of the Tunisian Government over the normalising of relations with Libya, told the Financial Times that there was still a long way to go before a solution could be found. "We have made an important step forward. It is the first time Tripoli has agreed to take the matter to The Hague. But we must not get carried away and we must continue to work patiently towards a solution."

And the Prime Minister, M. Hedi Nouira, would not talk of a Tunisian diplomatic victory. "Let us not talk of success," he said. "Let us say that good sense has prevailed and we hope it will continue to do so."

Even if the dispute were to be resolved swiftly, it would take several years before Tunisia could reap any benefit from the oil under the continental shelf. According to the Planning Minister, M. Mustapha Zaanouni, it would be unrealistic to suppose that an economic miracle would occur as a result of any new offshore oil deposits before the 1980s.

Realism

Instead, M. Zaanouni said, it was more realistic to look towards natural gas as an agent for the industrial development of the country—especially in the south. Although in 1975 production of natural gas in Tunisia reached only 217.2m. cubic metres (an increase of only 4.6 per cent. on 1974), promising deposits have now been found in the Gulf of Ghabès. These are estimated at 80bn. cubic metres and plans have been submitted for the construction of an underwater pipeline at a cost of between TD100m. and TD200m. The pipeline will eventually distribute the gas throughout the country, but will supply in the first instance the industrial zone of Ghabouch. These resources of natural gas, which when compared with Algeria's estimated reserves of between 4,000 and 6,000 cubic metres seem paltry, are considered sufficient to meet the country's domestic (and industrial) needs for the next 20 years. As regards the south, already a gas pipeline from El Borma feeds the Ghabouch power station, a brick factory at El Hamma outside Ghabès,

and the first plant to produce phosphoric acid in Tunisia. To meet the needs of new industries, especially those concerned with the production of chemicals, an institute for the training of engineers has been built. Ghabès also has a Lycée Technique and as from next month it will also have a school to train workers for the construction business. "These institutes," the Governor explained, "will provide the necessary manpower for our local industries." They also form part of the Government's new education policy of establishing centres of higher education in the regions to halt the continuing exodus of young people towards Tunis.

Already there are signs that the main object of the industrialisation programme—to create badly needed employment in the south—is bearing fruit, the Governor added. "We are creating something like 5,000 new jobs. We are absorbing workers from other regions. Earlier this year, when Libya expelled more than 10,000 Tunisian immigrants we were able to accommodate 1,000 of them in two months. And with the industries, banks have established branches here as well as a whole lot of other businesses."

But this development has brought on its problems—rising expectations; adapting from a traditional to a modern society especially where it concerns women. Ghabès has begun to have its share of industrial unrest. It is facing a chronic housing shortage. And already the Bay of Ghabès is feeling the effects of industrial pollution although the authorities are increasingly insisting on companies setting up plants to take rigorous anti-pollution measures. Ghabès is beginning to realise that the price of modernisation is a painful one.

Problems with phosphates

TUNISIA IS fortunate in being one of the relatively few countries in the world with sizeable reserves of phosphate rock—a vitally important raw material since it is one of the three essential ingredients used to produce the fertilisers on which future expansion of world food production depends. The main Tunisian phosphate reserves are in the Gafsa basin in the south of the country close to Algeria, another though smaller producer of phosphate. In the Western world Tunisia ranks as the third or fourth largest exporter of phosphate rock. This provides a large proportion of its foreign exchange earnings and promises to yield even greater returns in the future as prices rise and plans for nearly doubling output within the next few years come to fruition.

However, the experience of the past two years has made it clear that phosphate rock is in a very different category from oil, even though it is a similarly non-renewable natural resource of vital importance to the world. The 1974 "boom" when strong demand caused a shortage of supplies and forced up phosphate rock prices spectacularly, gave rise to suggestions that phosphate rock producers would be in a powerful position, like the oil producing countries, to control future supplies and prices in view of the urgent necessity to raise world food output to meet the needs of the ever-increasing population. That theory still holds true.

But as so often happens with theories of this kind what actually happened in practice was very different. After 1974, which yielded rich rewards for Tunisia among other phosphate suppliers, the market totally collapsed in 1975 and has not been much better in 1976. Tunisia's traditional markets in Europe, particularly France, were especially badly hit by a slump in demand and exports dropped by 28 per cent. compared with 1974. Phosphate suppliers suddenly found themselves in a new ball game, which undermined moves to form an OPEC-type cartel. The leap in phosphate rock prices not only encouraged new production from previously uneconomic sources, but also had a far bigger impact than expected on consumption, so bringing about an overall change in attitude and trading practices.

It swiftly became evident that phosphate rock was more price "elastic" than had previously been realised. Faced with huge price rises fertiliser manufacturers and farmers started looking much harder at ways to economise and in some instances—notably in France—it was found that phosphate fertilisers had been over-applied in past years and that there was sufficient built into the soil to last for several years without any fresh applications. In general consumers learnt how to use less and are hardly likely to return to what was in many cases excessive consumption encouraged by the relatively cheap phosphate rock prices before 1973.

At the same time the surge in phosphate rock prices, and the supply threat posed by leading exporters got together, stimulated the growth in exports of products downstream in the processing line, such as the phosphoric acid which the rock is used to manufacture and concentrated phosphate fertilisers themselves. Indeed, it was a sharp growth in exports of phosphoric acid and concentrated phosphates from the U.S. to Europe at competitive prices that helped transform the phosphate rock trade from boom to slump in quite a short period.

Integration

This trend towards integration by suppliers and the general reluctance of consumers to depend too much on one source—particularly a developing country—has brought an uncomfortable period for some countries. But the move towards more processing by suppliers of phosphate rock is a step in the right direction for countries like Tunisia anxious to create employment opportunities and retain processing profits rather than just exporting the raw material.

Tunisia is already a producer of phosphoric acid at Ghabès, entering the world market in 1972. But a considerable increase is planned under an ambitious two-stage programme to boost fertiliser production, including the first chemical plant to be based on local reserves of natural gas.

The Société d'Engrais Phosphatés et Azotés (SEPA), in which two of the existing phosphoric acid producers are involved, has been formed to set

up the planned complex of six plants at Ghabès. The first phase, to be completed by 1978, will process 1.3m. tonnes of phosphates annually to produce 170,000 tonnes of phosphoric acid and 330,000 tonnes of diammonium phosphate. The second, scheduled for 1980, will be designed to produce 300,000 tonnes of ammonia, 270,000 tonnes of nitric acid, and 330,000 tonnes of mono-ammonium phosphate.

The Abu Dhabi Fund for Arab Economic Development will provide a large proportion of the total investment, calculated at some \$414m. with the first stage accounting for nearly \$189m. The Abu Dhabi National Oil Company acquired a stake in SEPA last year.

Other phosphate processing plant developments are also planned in the industrial zone at Ghabouch.

At the same time the World Bank has granted a \$23m. loan towards aiding expansion of Tunisian phosphate rock production to an annual total of between 5.5m. to 6m. tonnes by 1980, nearly 50 per cent. higher than in 1974 since when output has been cut back because of the setback in demand. During the current Plan period, \$43m. are to be spent on improving the mining and beneficiating operations at the four main production centres in the Gafsa basin and the modernisation programmes should enable actual output to come much closer to capacity than in the past.

Despite the setback suffered in the past two years, the 1974 boom made the world aware of the potential importance of phosphate rock and moves are once again being made to form a producers' association to try and stabilise prices. After recent experience the idea of a producers' cartel being formed does not seem likely, especially as the U.S. would not participate and consumers have learnt the way to resist undue pressure.

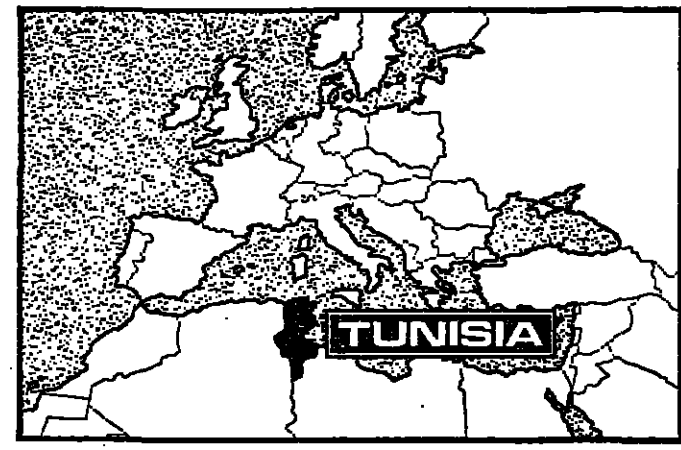
Consumer stocks still remain surprisingly high, according to the latest report from Phosphorus and Potassium magazine, published by the British Sulphur Corporation. But the downward pressure on prices now seems to have eased, and prospects for phosphate suppliers, including Tunisia, are somewhat brighter for 1977 as surplus stocks are whittled away.

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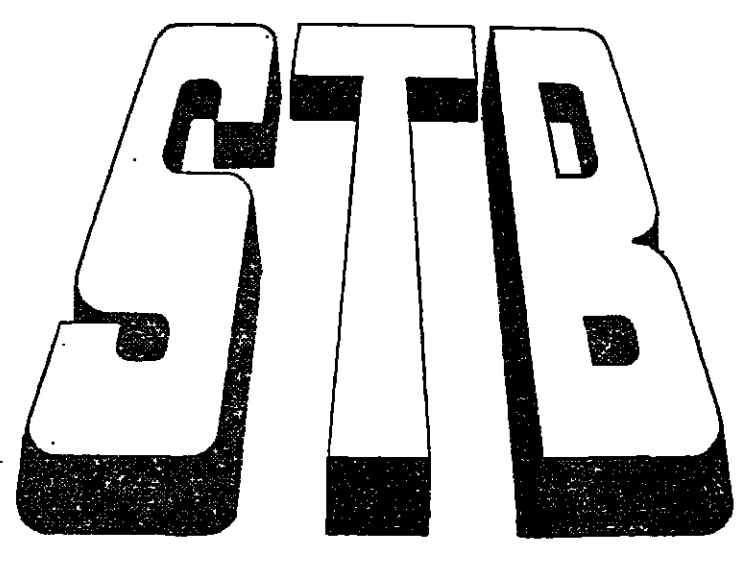
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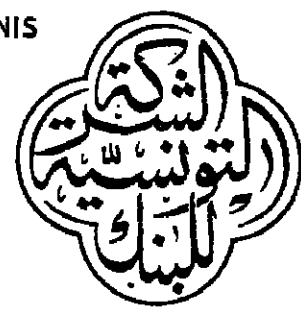
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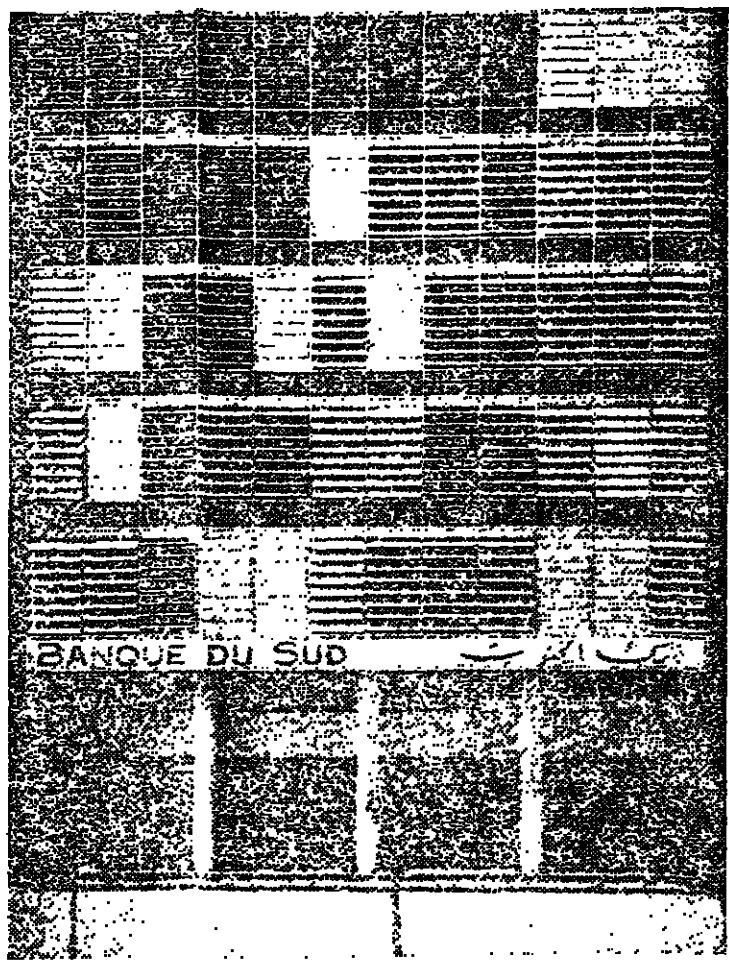


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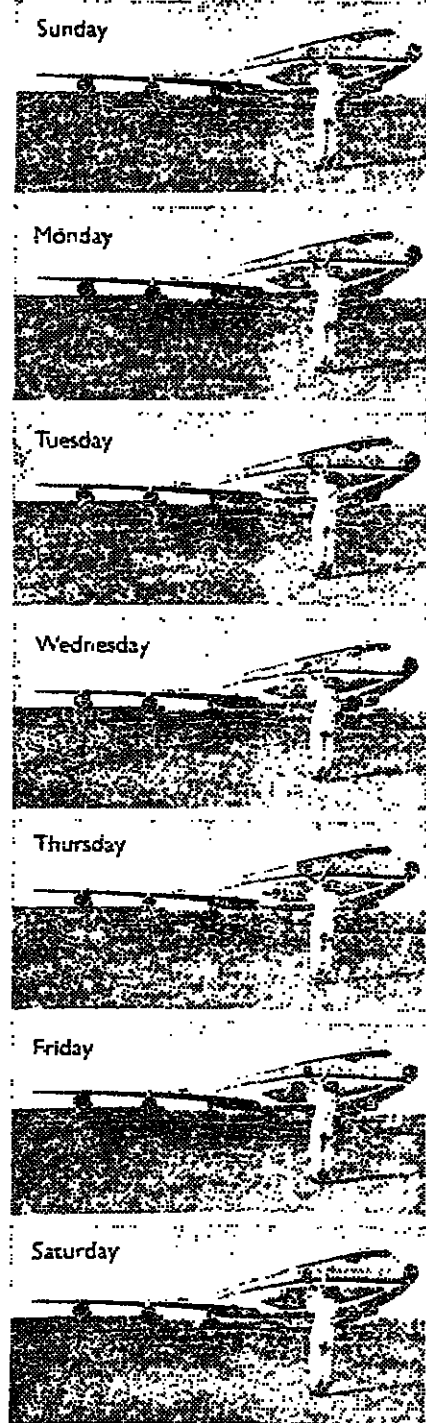
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TUNISIA IV

The desert region and its people

"YOU WON'T see any young men here, only old folk like myself and, of course, the women and the children," says the proprietor of the cafe of Tamezret. It is an ancient Berber village of some 3,500 people, straggling high on a parched hilltop overlooking an unbroken line of rock desert, dissolving into pink dunes beyond the Libyan border on one side and Algeria on the other. The proprietor spat something out of his mouth and went on talking: "There is nothing for them here. So they go off to France or to Germany, or they disappear clandestinely into Libya. Every summer they return, perhaps for a month, sometimes more, to see their wives and children."

Tamezret seems little touched by modern civilisation. It forms part of that third of Tunisia where people live in isolation without water or electricity. Apart from a track hewed in the ochre rock there is no easy access. Women and old men cultivate a few dates, a little wheat, and some olives in the folds of the hills. Some own camels, others herds of goats and sheep. Inside their stone dwellings they weave rugs for the tourists who pass in increasing numbers—50,000 of them last year—in Land Rovers on their package tours of the desert. The tourists stop for an hour or so and drive on. When the dust settles after their passage the village appears deserted.

Yet Tamezret is not altogether desolate. A modern building stands on the fringe of the old village and houses a school. The children of Tamezret speak French and most read and write. And there are signs of the astonishing if gradual colonisation, or rather recolonisation, during the last 20 years since independence of the remote regions of Tunisia. It is noticeable too in the old village of Matmata, about 10 kilometres from Tamezret, where more than 1,000 people still live invisibly underground as their forefathers did three or four centuries ago.

Matmata is Bedouin, not Berber. Here the desert travellers came to lead sedentary lives and live like troglodytes. They built their caves by digging a large pit to form a courtyard surrounded by rooms carved out of the courtyard wall. Some rooms are on different levels and must be reached by climbing a rope. The pit itself is entered by a sloping path leading to a broad arched tunnel. They still build new caves. One has been converted into a hotel. There is now a private

company that for TD750 will dig a pit and the required rooms. Inside the caves there are store rooms for olives, dates, figs and grain; the bedrooms are whitewashed; the furniture and carpets come from Libya, bought on the flourishing black market of Western goods smuggled from Libya that are available almost everywhere in Tunisia. Some have portable television sets which work on bulky truck batteries. And although some of those who can afford it have now gone to live in more comfortable and conventional housing in the new village of Matmata at the foot of the hill, there are many who prefer the old dwellings.

Evolution

But it is in the desert itself that the country's regional evolution is clearly visible. The Government, according to the Minister of Agriculture, M. Hassan Belkhouja, is taking steps to stop the advance of the desert—or "desertification" as the planners call it. An institute for arid zones is beginning work, he explained, to attempt to develop these regions, to convert them to modern ideas and to establish a framework for a complex web of new regional units that would eventually be exploited on a rational basis.

The development of the oases west of Tamezret and Matmata has already started. A road costing TD2m, and 92 km long is to be built across the great stone lake, the Chott Djerid, linking the oases of Kebili and Douz to those of Tozeur and Nefta which grow the bulk of the country's production of the high quality degla-en-nour date. In 1975 Tunisia exported 8,000 tonnes of deglas and although the Government plans to increase this figure by developing degla plantations in new oases, it also intends to use these irrigated areas for other cultures. In fact, the aim is to establish three types of cultures in each oasis—the cultivation of dates, fruit trees including apples and pomegranates, vegetables and animal feed. One hectare properly cultivated in an oasis should yield, according to agronomists, anything up to TD2,500 a year.

Water, ironically, is not the limiting factor in the development of this Saharan region. For although underground water resources in most parts of southern and central Tunisia are either insufficient or unsuitable because of their salinity, in the case of the Kibili-Tozeur area there are

sufficient deposits—according to a joint study undertaken by Tunisia, Algeria and UNESCO known as Project Regional 100—to guarantee the hydro-agricultural development of the present 15,500 hectares of oases in Tunisia and indeed increase these irrigated areas by an additional 12,000 hectares. At Kibili and Douz alone there are already 100 artesian wells operating. Another 80 are planned in the Government's new Development Plan.

The region's development, however, is being held back by other factors. Perhaps the most serious is the problem of communications. And it is not merely a question of building new roads and airports. A road in the desert, even farmed, can disappear within hours depending on the movement of the sands. M. Aneur Kria, the *délégué* (sub-prefect) of Douz, explained that efforts were constantly being made to establish a network of satisfactory tracks between the oases. To protect these tracks so-called "artificial" sand dunes have to be created on either side of the road. Soldiers are now helping to erect barriers made out of palm leaves which act as wind shields and around which a dune eventually forms itself.

The rational exploitation of dates has also been a major problem, M. Kria said. The old methods, the old superstitions (the palm tree is regarded as a human in the desert), have acted as a brake to the commercialisation of this sector of Tunisia's agriculture. In the late 1960s, under M. Ahmed Ben Salah, who then held the portfolios of Planning and Economic Affairs as well as that of Education, an attempt was made to rush a programme of co-operatives and the collectivisation of agriculture. M. Ben Salah was unsuccessful for several reasons. His policies earned him political enemies within the party and outside, and although funds were secured from a World Bank loan, M. Ben Salah decided to apply these to a much more ambitious and far broader programme of collectivisation than originally intended.

Above all, however, the Ben Salah experiment failed because of the speed in which he tried to implement it. "The traditionalist and highly individualistic rural milieu, especially in remote areas such as these, found it unacceptable," M. Kria explained. Instead, the new policy is to operate a system of private holdings in

the oases with the authorities overseeing production and marketing methods. "Every family is initially entitled to have a hectare in the irrigated area. After that they can buy more land if they wish to and afford it. We then ration the water depending on individual needs," M. Kria said. The system enables the authorities to ensure that proper use is made of water. It is not, however, so much a problem of wastage, but one of over-irrigation that would harm the quality of the dates.

Alongside the more traditional small buildings, there are now emerging larger plantations owned by private companies. Here modern techniques of cultivation are in evidence, such as the protection of dates by plastic sheeting. This prevents damage by rain or during the crucial month before the dates are picked. For dates one grower explained, "we have their feet in water and their heads in fire." This technique is gradually being adopted by the small growers, especially among the younger age groups.

To increase productivity and better marketing, two factories—one private, the other State-owned—have been built in the area for the drying of dates after picking. "Until now the majority of the dates were packed and then sent to the seaports where they would be dried, stored and eventually distributed on the world market. A significant percentage of the produce would be damaged during the journey to France, by the end of the new Plan we hope to do all the drying and packaging here. In this way, the grower will get the maximum return for his produce," M. Kria said. It was essential, he added, to concentrate the industry in the area so as to prevent the younger workforce leaving for the cities of the coast. And to make the population more sedentary, schools have been built, electricity installed in new housing projects, health services expanded and there are efforts to create some kind of communal life with the visit of theatre groups and film shows.

Environment

The development of tourism in the oases has also contributed to the modernisation of the area. The mistakes of the early years of the tourist boom have not been repeated. The formula adopted on the island of Djerba of building enormous complexes of concrete and glass has been replaced in the desert region by a more careful appraisal of the environment. The hotels in the oases offer all the basic amenities, but an effort has been made to ensure they blend with their natural surroundings. In Grad, for instance, the hotel is made up of huts built with dried palm leaves and some beds are sheltered under the traditional black Bedouin tent. These hotels form part of the Government's new approach to tourism which seeks to encourage the industry to offer more than just sun and sea at the same time as bringing valuable employment and foreign earnings to less privileged areas.

Douz now organises a desert festival each year. This is a folkloric affair with camel races and camel fights. The fact the President Habib Bourguiba attended the festival in 1974, the Prime Minister, M. Ben Nouri, came in 1975 is a measure of the importance the Government attaches to the event. But the festival is simply a tourist attraction, an opportunity for the people of the desert to gather together. Conferences are held, produced, aired. In a sense, it is an annual summit meeting of the different tribes that spend most of the year wandering or living in isolation in oases beyond the ones which are currently being developed.

Somewhat the desert people seem to be coming to terms with modern civilisation by moulding it to their own traditional way of life. They adapt to mechanisation, to new techniques and to modern housing. At the same time, in the spring they leave their stone dwellings to come out to air. They bring their tents out or build huts out of palm leaves near the pools of the older oases. After the errors of the late 1960s, the authorities have accepted that old ways are too inbred to disappear altogether and that a planning strategy must in the regions comply with the traditions of the desert. The tragedy comes, however, when Bedouin is drawn by this constant process of transition towards the cities where he can live on living on the fringes of urban life in the squalid environment of the shanty town-

Over a million tourists

TOURISM has staged a remarkable recovery in Tunisia. Following the years of rapid growth in the late 1960s and the early 1970s, tourism, which after mineral exports is the country's most important source of foreign exchange, was badly hit in 1973 and 1974 by the general world recession.

In 1972, 780,000 tourists visited Tunisia, 182,000 more than in 1971 and 369,000 more than in 1970. In 1973 the number fell to 722,000 and in 1974 it dropped even more to 716,000. In 1975, however, for the first time, the number of foreign visitors passed the 1m. mark and in cash terms this represented a total revenue of TD120m.

Tourism, however, is still suffering from a post-recession hangover. For as the director of the Office National du Tourisme Tunisien, M. Sadok Bouraoui, pointed out, the rate of new investment has not kept pace with the 42 per cent. increase in the volume of tourists between 1974 and 1975. In 1975 investment in this sector of the economy amounted to only TD8.9m, less than the TD14.8m. invested in the course of the slump year of 1974. Last year, 4,000 new beds had been planned. So far not one has materialised.

was still not yet ready for occupation. Consequently more money had to be borrowed to meet the repayment costs of the original loan.

This, coupled with the fact that tour operators have kept hotel prices in Tunisia at an artificially low level, has meant that the quality of service and maintenance in Tunisian establishments has suffered, the Bank says. Even in recently built hotels it is not uncommon to find chipped tiles in bathrooms, inadequate plumbing, cracking paintwork, and often, in the best of hotels, the service is sloppy and off-hand.

Over-booking has been another problem that has faced the Tunisian tourist business as demand overtakes capacity. The authorities, according to the Director of Tourism, have so far been able to control the situation. But unless the sector is expanded in the near future the situation could get out of hand.

Last year about 1.1m. tourists visited Tunisia and tourism earned between TD130m. and TD140m. But during the new Fifth Plan the Government intends to encourage investment in this sector to ensure that tourism becomes one of the more stable bases of the country's economy.

The most important programme being planned is an integrated tourist resort north of Sousse. Known as Sousse-Nord, the project is being backed by the Tunisian Government, the International Finance Corporation and the Abu Dhabi Fund. The cost is estimated at \$65m. and work, due to begin shortly, will be in two phases. The first phase will involve an area of 635 acres surrounded by two miles of beach and will include a shopping centre, golf course and marina, recreational facilities, more than 200 apartments and one hotel. The second phase will include 10 more

hotels, 1,587 apartments, and more than 300 villas. Eventually the resort will have a capacity of 14,800 beds.

A total of \$60m. is to be spent to improve tourism infrastructures in various resorts—Tunis, Hammamet, Sousse, Djerba and Zarzis. And in order to improve the quality of staffing 812m. is to be invested in three hotel training schools.

Almost 90 per cent. of tourists come from Western Europe, with the highest numbers from France, Britain and West Germany. This dependence on Europeans is viewed with some concern by the Government which is now attempting to promote tourism in new markets, in particular the Gulf States.

Last year the first tourists from the Gulf trickled in. "They are a new brand of visitor for us," the Director of Tourism, M. Bouraoui, explained. "They arrive with large families. They expect high quality accommodation, usually comprising a large suite or a flat where they can also cook for themselves. They demand immaculate service. Special projects are therefore being developed to cater specifically for visitors from the Gulf. Last September, Kuwait signed an agreement with the Tunisian Government which will provide TD36m. of Kuwaiti funds for the development of such projects.

The Government is also planning to diversify the nature of tourism in Tunisia away from the traditional concept of the modern "sand and sea" resort. It is seeking to open up new regions in order to spread the earnings from tourism to less privileged areas. This policy is already beginning to bear fruit, especially in the Sabara regions in the south where the number of tourists has grown from a few thousand to more than 50,000 last year.

FARMING AND RAW MATERIALS

Sugar price falls to 3-year low

By Richard Mooney THE LONDON daily sugar price reached its lowest level for over three years yesterday after falling 5c to \$109 a tonne (the quotation switched from tons to tonnes on January 7).

Soviet grain crop tops a 223m. tonnes record

BY DAVID SATTER THE Soviet Union achieved the largest grain harvest in its history last year, according to Mr. Valentin Mesyats, Agriculture Minister.

NZ lamb may cost more

By Peter Bullen NEW ZEALAND producers warned yesterday that lamb could cost British consumers more this year in line with the general rise in prices due to an overall drop in meat supplies.

OXFORD FARMING CONFERENCE High potato price warning

FINANCIAL TIMES REPORTER FROM KODDNESS-Knows where they could dry it out longer long before any earlies are ready to lift in Cornwall and Pembrokeshire.

Tin pact compromise plan

BY WONG SULONG MALAYSIA IS initiating a compromise solution at this week's international tin council meeting in London to-morrow and Friday.

Cocoa higher

By Our Commodities Staff COCOA ACHIEVED a 50c permissible limit in the spot market yesterday before easing back to 11c 90.

Dutch concerned over U.K. butter sales

BY MICHAEL VAN OS HAGUE to-day, Dr. H. Schelhaas, the Dairy Board chairman said that in addition, the increasing competition on the British butter market from New Zealand and Germany had adversely affected Dutch sales.

U.S. lead value rise

BY JOHN EDWARDS, COMMODITIES EDITOR A RISE in the U.S. domestic lead price, from 25.50 to 26.50 cents a pound, was announced yesterday by Asarco Incorporated.

EEC dairy surplus

BY ROBIN REEVES BRUSSELS, Jan. 5. THE EEC is likely to have a total of 1.1m. tonnes of surplus skim milk powder and 220,000 tonnes of butter still in store at the end of the winter, according to the Brussels Commission.

Drought hit Vegetables more than fruit

By Our Own Correspondent BRUSSELS, Jan. 5. THE DROUGHT which hit Europe last year had a more damaging effect on vegetables than fruit production, according to figures compiled by the Brussels Commission.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS Table with columns for Metal, Price, and Change. Includes Copper, Tin, Zinc, Lead, and Silver.

COMMODITY INDEX Table showing index values for various commodities like Wheat, Sugar, and Cocoa.

PRICE CHANGES Table listing price adjustments for various goods such as oil, flour, and other commodities.

COMPANY NOTICES Republic of South Africa 8% 1972/75/76 Loan of US Dollars: 25,000,000. Amount remaining in circulation after 1.2.77 US Dollars: 22,000,000.

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US Market Copper and silver slip; grains easy NEW YORK, Jan. 5. COPPER closed a little lower with trade on both sides of market. Silver traded on both sides of market.

European-American COMMODITIES CONFERENCE February 22 and 23, 1977, London Hilton. An essential conference for all who use, regulate, effect and are affected by commodity markets world-wide - food processors, farmers, brokers, bankers and traders.

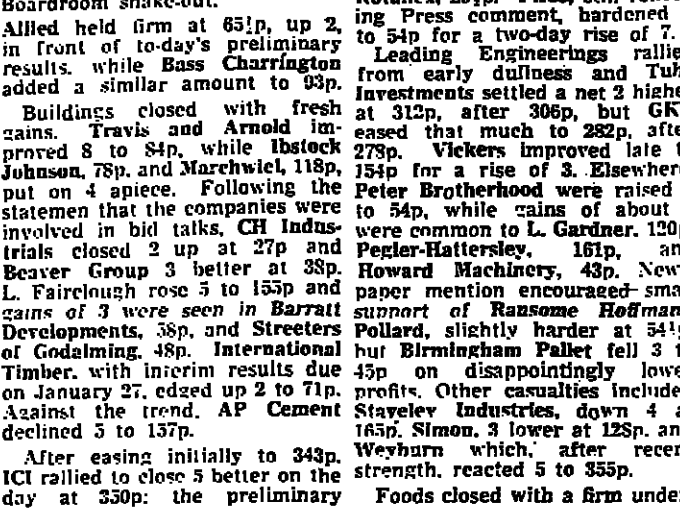
STOCK EXCHANGE REPORT

Another good day in markets featured by Gilt-edged Share index up 2.1 at 362.7—Gold shares ease

Account Dealing Dates... Dealings Times... Dealings Dates... Dealings Times... Dealings Dates... Dealings Times...

Minimum Lending Rate... British Funds... British Funds... British Funds... British Funds... British Funds...

Shares expected on February... Shares expected on February... Shares expected on February... Shares expected on February... Shares expected on February...



Shares closed with no set pattern... Shares closed with no set pattern... Shares closed with no set pattern... Shares closed with no set pattern... Shares closed with no set pattern...

Stock markets remained in good heart... Stock markets remained in good heart... Stock markets remained in good heart... Stock markets remained in good heart... Stock markets remained in good heart...

Life issues firm

Reflecting the recent crop of encouraging new world-life business figures... Reflecting the recent crop of encouraging new world-life business figures... Reflecting the recent crop of encouraging new world-life business figures...

Stores irregular

Stores closed with no set pattern... Stores closed with no set pattern... Stores closed with no set pattern... Stores closed with no set pattern... Stores closed with no set pattern...

Oil mixed

Overnight American demand ensured British Petroleum of a higher opening level of \$40.00... Overnight American demand ensured British Petroleum of a higher opening level of \$40.00... Overnight American demand ensured British Petroleum of a higher opening level of \$40.00...

Gilts strong

The absence of a tan stock, the stable trend in sterling and the possibility of another small fall... The absence of a tan stock, the stable trend in sterling and the possibility of another small fall... The absence of a tan stock, the stable trend in sterling and the possibility of another small fall...

Kode Int. jump late

Secondary issues once again outperformed the leaders in the industrial sector... Secondary issues once again outperformed the leaders in the industrial sector... Secondary issues once again outperformed the leaders in the industrial sector...

Press comment attracted more interest

Press comment attracted more interest in the market... Press comment attracted more interest in the market... Press comment attracted more interest in the market... Press comment attracted more interest in the market... Press comment attracted more interest in the market...

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS, Wednesday, January 5, 1977, and various sub-sections like CAPITAL GOODS, BUILDING MATERIALS, etc. Includes a 'FIXED INTEREST' section at the bottom.

ACTIVE STOCKS

Table listing active stocks with columns: Denomination, No. of Shares, Closing Price, Change, etc.

NEW HIGHS AND LOWS FOR 1976/77

Table listing new highs and lows for 1976/77 with columns: Stock Name, High, Low, etc.

Option Report—3-month Call rates

Option Report—3-month Call rates... Option Report—3-month Call rates... Option Report—3-month Call rates...

BASE LENDING RATES

Table listing base lending rates for various banks and institutions.

MONEY MARKET

Interest rates decline

Bank of England Minimum Lending Rate 14 1/2 per cent... Bank of England Minimum Lending Rate 14 1/2 per cent... Bank of England Minimum Lending Rate 14 1/2 per cent...

RISES AND FALLS YESTERDAY

Table listing rises and falls in stock prices from the previous day.

INSURANCE BASE RATES... Property Growth... Cannon Insurance... Includes various insurance rate listings and company information.

AUTHORISED UNIT TRUSTS

STOCK INDICES

Table with columns for various stock indices and their values.

S.E. ACTIVITY

Table listing various securities and their prices.

Main table of Unit Trusts with columns for Trust Name, Manager, and various performance metrics.

INSURANCE, PROPERTY, BONDS

REGIONAL MARKETS

Table showing regional market data and trends.

Euromarkets Survey

Despite the continuing concern over country risks, banks have continued to search aggressively for new business.

Union Power in the Modern Economy

The build-up of union power may in time prompt a reaction that will help to bring back increased competition and greater independence for the individual.

A Monetarist Manifesto

Unless monetarists can agree among themselves on at least a limited programme, they are unlikely to convince others, argues Commentary this month.

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Table of Insurance, Property, and Bonds with columns for Company Name, Policy Type, and Premiums.

OFFSHORE AND OVERSEAS FUNDS

Table of Offshore and Overseas Funds with columns for Fund Name, Manager, and Investment Focus.

NOTES

Notes on various financial instruments and market conditions.

